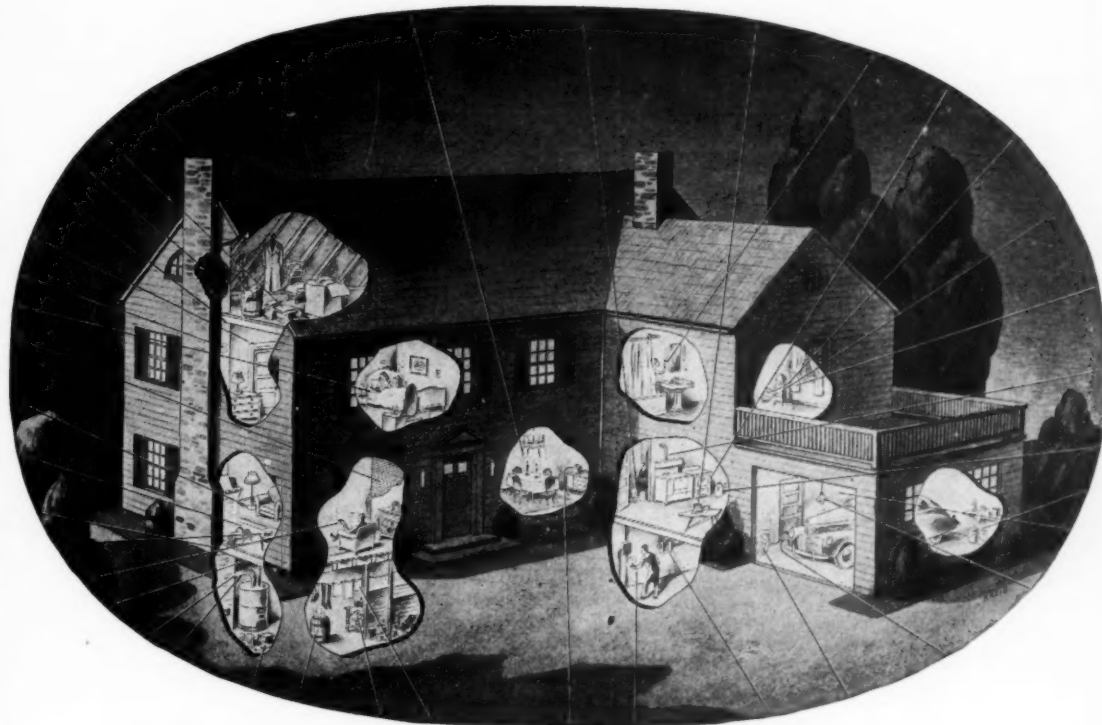


# The NATIONAL UNDERWRITER

## HOME-MADE "BOOBY TRAPS"



Tabulation of results from a recent home-safety inspection survey by the Greater New York Safety Council shows the existence of a variety of "booby traps" in the average home, and that fire hazards are the chief danger. Along those lines, too, records of the National Board of Fire Underwriters prove that there are four principal causes of fire and that they account for 76% of all fires. To make the "home, safe home," you should urge your policyholders to prevent fires in these ways:

- (1) Be careful with matches and when smoking.
- (2) Check all heating and cooking equipment—stoves, furnaces, chimneys, etc.—keep them clean and in good repair.
- (3) Be careful with kerosene—don't use gasoline, benzine, and other inflammables inside the home.
- (4) Check all electrical wiring and appliances—have defects eliminated—keep them in good repair. Buy appliances approved by Underwriters' Laboratories, Inc.

While you as the insurance man in your community are preaching the gospel of Property Conservation, don't neglect the subject of Under-Insurance, too. Our Advertising Department can assist you in doing both jobs effectively.

**NORTH BRITISH AND MERCANTILE INSURANCE COMPANY  
LIMITED**

**THE PENNSYLVANIA FIRE INSURANCE COMPANY  
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK  
THE MERCANTILE INSURANCE COMPANY OF AMERICA  
THE HOMELAND INSURANCE COMPANY OF AMERICA**


150 WILLIAM STREET, NEW YORK 7, N. Y.

New York : Philadelphia : Boston : Detroit : Chicago : San Francisco

THURSDAY, MAY 1, 1947

**LOSS**

FOR THE COMPANY

 **THE HOME INSURANCE COMPANY, NEW YORK**  
59 MAIDEN LANE, NEW YORK, N. Y.

CLAIM NO. \_\_\_\_\_ 19\_\_\_\_

UPON ACCEPTANCE  
PAY TO THE ORDER OF \_\_\_\_\_

WHICH PAYMENT, EVIDENCED BY PROPER ENDORSEMENT HEREOF, WILL CONSTITUTE FULL SATISFACTION OF ALL CLAIMS AND  
DEMANDS FOR LOSS AND DAMAGE BY \_\_\_\_\_ DOLLARS \$ \_\_\_\_\_ WHICH OCCURRED \_\_\_\_\_  
DESCRIBED IN POLICY NO. \_\_\_\_\_ ISSUED AT THE \_\_\_\_\_ 19\_\_\_\_ TO PROPERTY \_\_\_\_\_  
AND SAID POLICY IS HEREBY { REDUCED IN LIKE AMOUNT. CITY AND STATE \_\_\_\_\_ AGENCY AND STATE NUMBERS \_\_\_\_\_ AGENCY. \_\_\_\_\_  
CANCELLED AND THIS DRAFT WILL NOT BE HONORED UNLESS POLICY NAMED HEREIN IS ATTACHED HERETO.

TO THE HOME INSURANCE COMPANY  
NEW YORK, N. Y.  
L COLLECTIBLE THROUGH THE CITY COLLECTION DEPARTMENT  
NEW YORK CLEARING HOUSE

AGENT. \_\_\_\_\_

L. 594-25M-7-43

**"... the sincerest form of ..."**



Nine years ago The Home adopted a new form of loss draft which required the agent's signature. A device for creating prestige—for giving proper importance to the agent—it also brought to the assured a comforting realization that his insurance man had an interest in paying claims as well as receiving premiums. Now, years later, it is gratifying to note that this loss draft is becoming a standard form with other insurance companies.

### A LEADER IN THOUGHT

In other words, The Home's leadership is not confined to its amount at risk—over a period of years it has conceived, developed, tested in field service, many constructive steps of both policy and practice natures. We've been operating on the theory that progressive, forward-looking ideas are good for the insurance business . . . that leadership in size alone is not our goal. Our agents and brokers have found this line of thinking profitable for them.

*The Home, through its agents and brokers, is  
America's leading insurance protector of American Homes  
and the Homes of American Industry.*

☆ **THE HOME** ☆  
*Insurance Company*  
**NEW YORK**  
FIRE • AUTOMOBILE • MARINE INSURANCE

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## Hope for Practical Program to Emerge from Truman Parley

**Expect Attendance of 1,500 at Fire Prevention Conference**

WASHINGTON—President Truman will address the opening session of the national fire prevention conference called by him, on the morning of May 6 in the interdepartmental auditorium here. Expected attendance is estimated at 1,500, including public officials and representatives of important insurance and other business, civic, service, women's, farm and other organizations, who will assist in attempting to develop a practical program for a country-wide drive against the fire menace.

Chairmaned by Maj. Gen. Philip B. Fleming, federal works administrator, the conference will bring together responsible federal, state and municipal authorities, and experts in all phases of fire prevention and fire protection.

Six committees have been making preliminary studies of underlying causes for excessive loss of life and property by fire and of ways and means for reducing them. These committees' findings will form the basis for recommendations of the conference.

Working under the general supervision of W. E. Reynolds, public building commissioner of FWA and chairman of the conference coordinating committee, these committees have been functioning for the past two or three months.

### Other Chairmen Named

The appointment of additional committee chairmen has been announced from conference headquarters. Alfred C. Fuller, president Fuller Brush Co., Hartford, heads a committee which has been reviewing building operation, construction and protection.

Woodward H. Brenton, Des Moines, banker and manufacturer, is chairman of the committee on research concerning scientific development and human behavior as applied to fire safety.

The committee on organized public support, chairmaned by W. Walter Williams, Seattle, is developing plans for implementing the prospective recommendations of the conference throughout the country.

The committee on laws and law enforcement, headed by Judge John C. Knox, New York, is largely composed of prominent lawyers. Conference headquarters says this committee "has explored the question of state laws that will provide minimum standards of regulation for fire safety and facilitate the adoption of municipal ordinances that will augment these minimum standards. The legality of so-called retroactive features of laws and ordinances pertaining to fire safety has also been carefully studied."

### Instructional Facilities

The committee on fire prevention education, under chairmanship of Dr. Harry C. Byrd, president University of Maryland, has been making a survey of instructional facilities on fire safety in elementary and secondary schools, colleges and universities.

The committee on fire fighting services, headed by Maj. Gen. "Wild Bill" Donovan, is studying the personal training

(CONTINUED ON PAGE 15)

## Colorado Mid-Year Draws Record Crowd for One-Day Session

COLORADO SPRINGS—While only 50 were expected to attend, there was a registration of 186 at the mid-year meeting here last week of the Colorado Assn. of Insurance Agents, making the convention the largest since organization. The one-day session provided many interesting talks by prominent insurance men and crowded the time schedule to the last minute.

No registration fee was charged for the meeting and members and non-members were invited, as well as agents from Wyoming and New Mexico.

Ralph P. King, Montrose, was elected director to fill the vacancy caused by the resignation of Jack McGuire, Pueblo, who is engaged in another business.

Greetings were extended by President Ralph E. Austin, La Junta, and Foster Fritchle, president Colorado Springs Board. L. Allen Beck of Denver was in charge of the morning session. Speakers at the meeting were Dell G. Van Gilder, secretary-treasurer Western Live Stock, on "Live Stock Insurance"; Harold O. Wilber, Denver, state national director, who reviewed the mid-year meeting of the National association at Oklahoma City; Mr. Austin, on "Farm Coverages," and Wade M. Snider, Denver, vice-president, on "Builders Risks and Construction Insurance."

Virgil R. Lee, state senator from Chehalis, Wash., and member of the executive committee of the National association, and Jack E. Baldwin, New York, assistant secretary National association, were speakers at the luncheon.

### Kavanaugh Is Vigorous

Commissioner Kavanaugh of Colorado gave a vigorous talk to lead off the afternoon program. Mr. Kavanaugh denounced both the American Mutual Alliance and National Board companies for their activities at the last session of the Colorado legislature. He commented that the assembly had done excellent work in passing several insurance bills, including the all-industry fire rating bill and a modified casualty bill. A financial responsibility act was passed, to become effective Oct. 1.

The commissioner took up his cudgels against questionable practices in the automobile field, saying that the state has several stringent old laws that can be dredged up if necessary.

Walter J. Bremer, Chicago, assistant superintendent of compensation and liability department Hartford Accident, spoke on comprehensive liability. "It is simply tempting fate," he said, "to insure merely certain hazards, while leaving others uninsured." Mr. Bremer stated that big business buys comprehensive coverage because it is good business to do so, while small business needs the coverage because it is usually less able to stand the financial shocks of a sizable uninsured loss.

"Salesmanship and Sales Psychology" was discussed by S. A. Riesenman, secretary Security Life & Accident.

W. C. Daniels, Denver special agent America Fore, discussed builders' risk insurance at the sales meeting.

Builders risk, he said, is a form which for obvious reasons has practically been forgotten and for other obvious reasons will be used increasingly in the immediate future.

He described three forms in addition to the dwelling and farm property forms. These are the "specific amount" form, which would automatically cover increasing values as construction progressed, and builders risk completed value form.

There is a tremendous backlog of

(CONTINUED ON PAGE 15)

## General Agents Confer at Dallas

**Philip D. Richards Ascends to Presidency at Successful Rally**

### NEW OFFICERS ELECTED

President—Philip D. Richards, San Francisco.

Chairman executive committee—Stuart H. Richardson, New York.

Vice-presidents—William W. Leigh, Little Rock, and S. Linton Smith, Raleigh.

Secretary—Herbert Cobb Stebbins, Denver.

DALLAS—The annual convention of American Assn. of Insurance General



Philip D. Richards

Agents was brought to a close here this week with the election of Philip D. Richards of Richards & Co., San Francisco, as the new president.

The group was treated to an excellent fare in the way of a speaking program and the Dallas and Texas hosts entertained royally. For several of the group it was their second week of conventions, as they came here directly from the N.A.I.A. meeting at Oklahoma City. Guy Warfield, N.A.I.A. president, who spoke to the general agents, went on from here to Pinehurst to address the annual meeting of North Carolina Assn. of Insurance Agents.

The three-day convention got under way Monday morning when Barney Vanston of Dallas, president of the Texas Assn. of Managing General Agents, welcomed the nearly 200 registered delegates and guests, and George E. Edmondson, Tampa, Fla., responded.

President Frank Duff, Dallas, reviewed association activities during the year. He declared that legitimate general agents, with underwriting and supervising duties, have nothing to worry about as far as their place in the insurance business is concerned. He expressed the opinion that the acquisition cost of business obtained through general agencies depends not only on the location, but also on the volume and type of business produced, and suggested that the proper formula for determining acquisition costs of a legitimate general agency should be the actual cost plus a small percentage of the agency's premiums for home office overhead.

Mr. Duff urged greater co-operation with companies and other producer organizations in the field of public relations, and pointed out that general agents have been specifically recognized in recent movements in the business. He took note of articles in the trade press that have criticized the general agency system, but held that they are due to confusion over the divergent kinds of general agents that have been appointed.

This thought was supplemented later in the report of Herbert Cobb Stebbins, Denver, secretary-treasurer, who pointed out that many so-called general agents perform no managerial duties. He said it has been suggested that general agents compile data on the cost of general agency operation and the loss ratio of

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(CONTINUED ON PAGE 6)

## Resolutions Session Provides Best Show at Okla. City

**Reject Revision of All-Industry Statement and Countersignature Proposal**

The best show at the N.A.I.A. mid-year meeting at Oklahoma City was at the session to act on resolutions.

The exchanges were sharp and pointed, but not acrimonious and from a parliamentary standpoint, it was dramatic.

The president, Guy T. Warfield, won the admiration of the group for his skill, candor and fairness in presiding over the debate, and Harold D. Barnes of Pittsfield, Mass., chairman of the resolutions committee, was complimented for his dispassionate presentation and for the way he outlined the considerations that were involved.

The main news perhaps was in the two resolutions that were defeated—one to alter the statement of policy that was adopted at Denver last fall on the all-industry legislation, and the other to put N.A.I.A. squarely on record as opposing legislation for a mandatory division of countersignature commissions.

The resolutions that were adopted included one calling for an immediate conference between companies and producers to see what could be done about providing an adequate market for insurance on trucking and taxicab risks "which also includes propane, butane, buses and lively classifications." This resolution charges that the insurers have been derelict in meeting their responsibility to provide loss prevention service intelligently applied in these fields. Also the resolution expressed the belief that the insurers have failed properly to acquaint themselves with the legal liability of the motor carriers and the legal protection granted to them under the motor carrier act of 1935. This, the memorial states, has resulted in payment of claims for which the assured was not legally liable and there have been indications of failure to exercise proper subrogation rights.

### Ask Conference on Markets

Another resolution urged the aviation insurers to pay to qualified agents a commission rate commensurate with the fact that there is a limited market, that special knowledge is required in its production and greater expense is involved in its sale. The resolution expressed the belief that an adequate commission scale to qualified agents will encourage greater volume and more intelligent production efforts.

At the same time the resolution voiced appreciation to the aviation insurers for their cooperation in holding a recent meeting with the N.A.I.A. aviation committee.

There was a resolution that originated with the fire prevention committee

(CONTINUED ON PAGE 12)



H. D. Barnes

## Advance Welborn, Neale, Austin at Underwriters' Laboratories Meet

At the annual meeting in Chicago of Underwriters Laboratories, Curtis R. Welborn, secretary, was named executive vice-president, John A. Neale became vice-president and chief engineer, and W. Stanley Austin, assistant secretary, was designated secretary. All other officers and trustees were retained. "Each month of 1946 registered with

clerk handling accounting label releases, and electrical department cost accounting. He transferred to Chicago in 1936 as assistant to the superintendent, label service. In 1941 he was made assistant treasurer and in 1946 was appointed assistant secretary.

Mr. Austin was born in Elizabeth, N. J., graduating from Lafayette College.

Trustees present were John C. Harding, chairman, W. E. Baldwin, R. P. Barbour, S. M. Buck, H. C. Conick, B. M. Culver, John F. Gilliams, E. A. Henne, F. W. Koeckert, George C. Long, Jr., W. E. Mallalieu, A. F. Powrie, Alvah Small, C. H. Smith, and Paul B. Sommers.



Alvah Small



C. R. Welborn

us more clearly than those preceding, industry's progress in defining the probable post-war level of the national economy," commented Alvah Small, president.

"Reconversion has been accomplished, except for filling some of the pine-lines of distribution. Many new materials and methods are being accepted. Most appliances, devices, and fittings exhibit improvements in design, precision, and suitability, whether for old or for various new applications.

### Foresees Increasing Effectiveness

"Notwithstanding disasters demanding the emphasis of recent publicity, more and better instruments for safeguarding life, limb, and property are



J. A. Neale



W. S. Austin

now available. Waste from accidents, fire, crime, and carelessness too, will hereafter be controlled with ever increasing effectiveness.

"It is most satisfying to believe that our operations during 1946, as well as previously, have contributed to these developments," Mr. Small said.

Mr. Welborn joined Underwriters' Laboratories at Chicago in 1920. Starting as an assistant engineer in the gases and oils department, he became associate engineer and in 1924 was made superintendent of the label service department. In 1935 he was appointed secretary. Mr. Welborn was born in Ellisville, Miss., and received a degree in electrical engineering in 1920 from Mississippi State.

Mr. Neale joined the staff in 1938 as protection engineer and in 1941 was made chief engineer.

### Was With Chicago Board

Prior to joining the laboratories, he was inspector and engineer for the Associated Factory Mutual companies, and then engineer and chief engineer for Tennessee Inspection Bureau. In 1924 he became chief engineer for the Chicago Board.

Mr. Neale was born in Medford, Mass., graduating from Tufts in civil engineering.

Mr. Austin joined Underwriters' Laboratories at New York in 1925 as a

## ENGINEERS' REPORT

Mr. Neale reported that recent rapidly spreading disastrous fires have focused attention on the protection department standard for classifying the fire hazard of building materials. The hazards contingent on the rapidly increasing use of liquefied petroleum gas systems has influenced regulatory authorities to require that related equipment and devices be listed.

Tests upon electrical wires and cords, and gasoline hose, included products made from natural rubber, but the principal activity was with synthetic rubbers and thermoplastic resin compounds, reported A. F. Mason, chemical engineer. Explosion testing, particularly explosion-proof electrical equipment for use in hazardous locations and flame arresters, continued at a high level.

J. H. Witte, superintendent combustion equipment division, gases and oils, reported that fuel oils today, predominantly a product of the modern catalytic refining process have burning characteristics differing from those of fuel oils supplied heretofore. To determine these and their effect on oil burner performance, the staff cooperated in a special test program sponsored by the American Society for Testing Materials. From the data thus obtained revised specifications for fuel oils have been proposed.

### More Pressure Cookers

In the casualty division, S. V. James, engineer, said that the unusual activity in submittals and listing of pressure cookers continued in 1946. The automotive division listed a gasoline-burning space-heater for use in trucks and buses. This activity, started in 1945, has grown rapidly and other devices of the type are being tested. The automobile industry resumed its pre-war cooperation, so that factory counterchecks of the new models are being made.

In mercantile premises equipped with installations of certified alarm systems, burglary attempts in 1946 increased at least 20% over preceding years, said H. B. Michael, engineer burglary protection department. This third consecutive yearly period of such increases provoked a surging demand for automatic alarm equipment.

A. J. Steiner, engineer, protection department, stated that new work testing on wall assemblies resulted in listings of fire partition assemblies of wallboard, both plastered and unplastered, and of concrete masonry units with new kinds of aggregates. Activity relative to the burning properties of building materials and fabrics has been growing. Producers of various kinds of interior surfacings, such as insulations, wall-decorative materials, and building boards, have arranged for development tests conducted according to the standard for fire hazard classification.

### Electrical Situation

M. M. Brandon, electrical engineer, reported, "Much of the equipment sub-

(CONTINUED ON PAGE 19)

## Allstate Promotes McLaughlin, Hall, Heine and Others

W. Dale McLaughlin, resident manager of the New York branch of Allstate, has gone to the home office as assistant vice-president. Thomas R. Hall and Arthur F. Heine are now assistant secretaries. Edward H. Schroeder succeeds Mr. McLaughlin; Paul F. Hoierman becomes resident manager at Milwaukee and Clarence J. Weiss resident manager at Seattle. Mr. Schroeder has been head of the legal department, Mr. Hoierman has been sales manager of the central zone and Mr. Weiss has managed the central Illinois branch.

Other appointments include Henry Gardner, Jr., sales manager; Charles N. Mallory, underwriting manager; Thomas J. Casey, claim manager; C. H. Whitaker, accounting manager, Vincent O'Connor, operating manager, Milwaukee. Richard W. Struckman becomes underwriting manager of the Chicago branch and will be assisted by Arthur Oakes. Rodney F. Wilkin is now claim manager of the midwestern branch and Carl F. Krieg is assistant sales manager at Los Angeles.

## Satevepost Now Tackles Fire Prevention Subject

The Saturday Evening Post again this week is treating a subject that will please insurance readers, this coming close on the heels of the smash insurance hit "When Will You Be Sued?" Thus "S.E.P." has gone a long way towards overcoming the resentment that was caused by its "Persistent Pete" article last fall.

The current article is on fire prevention, the author being Steven M. Spencer, associate editor.

Mr. Spencer suggests that building practices be modernized, installation of protective devices be encouraged, and that fire-law enforcement be strengthened. He refers to President Truman's national conference on fire prevention to be held next week.

"Unfortunately, most of the fire deaths occur in individual homes, where safety is notoriously hard to teach and where fireproofing would be an exceedingly large order," Mr. Spencer writes. "But apartment-house dwellers and hotel guests . . . are greatly dependent, in safety matters, on the building owners and operators—plus the behavior of their fellow tenants or guests. . .

### Term "Fireproof" Misused

"One of the roots of the hotel-fire problem is the misplaced confidence in the frequently used term, 'fireproof' . . . It has become the custom to call 'fireproof' any building built of steel and concrete. But these materials won't make any structure fireproof unless they are assembled properly. Steel girders unprotected by masonry have, under the intense heat of burning interiors, bent and buckled like wire coat hangers. And what protection does a steel-and-concrete frame give the occupants if it is finished and lined with combustible wooden baseboards, floors, doors and window frames, plus cloth drapes, curtains and incidental decorations?"

He cites the eight basic suggestions for fire protection legislation for hotels recently proposed to the National Board.

Unfortunately, he said, not all building codes follow the expertly drawn recommendations, and even a good building code won't save lives if it is loosely interpreted or weakly enforced.

"The fireproofing of wood . . . costs about 50% of the cost of the lumber itself. Since, however, the treated wood is employed only in strategic parts of the building, treatment increases the total building cost only 2 or 3%," he points out.

## FUTURE TOO UNCERTAIN

## Outlaw Term Plan for Glass Cover

National Bureau of Casualty & Surety Underwriters announces that its members have decided not to write glass insurance for a term of more than one year, except that glass in dwellings and apartments may continue to be written for not more than three years. The change is effective April 28 in Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Virginia, West Virginia, Wisconsin and Wyoming.

A meeting is being held this week to discuss making this change effective in New York, and it is expected that the same rule will eventually apply in the remaining states.

This decision was based on the uncertainty of the future cost of replacing broken glass. In general, the glass insurance policy undertakes to replace broken glass without regard to its value. Ever since the OPA relinquished control over glass prices last October, there has been a steady increase in costs, countrywide. Both the cost of glass and labor costs have increased. Hence it is felt to be unsound to write policies for longer than one year.

## Ewing Unable to Take Top S.E.U.A. Post in June

S.E.U.A. leaders are disappointed that Esmond Ewing, vice-president of Travelers, is not prepared to accept election as president at the annual meeting in June. He is S.E.U.A. vice-president and in the normal course would go up at this time as Caspar Whitner of Hartford Fire is completing his second term. Mr. Ewing's operations in the Travelers organization have been so extended that he feels unable to carry on top responsibilities in S.E.U.A.

## Mendes Won't Speak to A. M. A. at New York

W. B. Mendes of Duncan & Mount, New York, London Lloyds U. S. attorneys, who was scheduled to speak at the American Management Assn. meeting May 5-6 at New York, is in London and will not return until after the meeting.

## N. J. Agents Mid-Year Meet May 7-8; Carey to Speak

Commissioner Carey will address the New Jersey Assn. of Insurance Agents on the second day of its mid-year meeting at Asbury Park, May 7-8. William B. Ellis, agency supervisor Aetna Casualty & Surety, also will speak. Paul S. Courtney will discuss tax equality. He is a representative of the National Tax Equality Assn.

Opening day activities will consist of registration, executive session, committee reports, cocktail party and banquet.

## Southwest Hail Writings Up

WICHITA—Hail writings on wheat are reported far ahead of previous years by hail offices supervising Kansas and Oklahoma. Healthy condition of the winter wheat generally throughout the territory and restricted writings by some of the companies and groups in certain localities have been responsible for an avalanche of early applications in all offices. Current prospects are for a record breaking wheat crop this year.

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## Lobbyists, Poor Auto Practices Hit by Kavanaugh

Some vigorous raps at insurance lobbying groups and at the practices of



L. J. Kavanaugh

Some companies in the automobile field were delivered by Commissioner Luke Kavanaugh of Colorado in his talk at the midyear meeting of the Colorado Assn. of Insurance Agents at Colorado Springs last week. Mr. Kavanaugh was reviewing the achievements of the general assembly session.

Discussing the all-industry bills, he said there had been little difficulty with the fire measure, but a modified casualty bill was held up by "persistent, omnipresent lobbyists for the American Mutual Alliance." The Colorado bill provides for the filing of all rates, to be reviewed by the department and subject to a hearing if found unfairly discriminatory, etc. There is an immediate appeal to the courts.

To the Alliance group, such a bill, the commissioner remarked, was "if not treason, highly sacrilegious. They wanted one rate, fixed by the commissioner. Some competition, eh what?"

### Knocks Board Companies

The fair practice, or little fair trade commission act, passed the senate, but was held up in the house by the Board fire companies, Mr. Kavanaugh related, noting that the bill was directed at swindling schemes. "Why do you suppose these allegedly ultra-respectable organizations were afraid of a bill aimed at confidence men?" he asked.

The trick of forcing automobile owners to look to their collision carriers first, regardless of deductible provisions and pertinent facts, is fraught with peril, Mr. Kavanaugh declared in a review of the new Colorado financial responsibility law. "Whether intentional or not, it looks like an open invitation to the federal anti-trust division to take over."

"I wish I had the abiding faith in the casualty business that some people appear to have," the commissioner remarked. "The accident and health companies cause us little trouble, but the operations of a few automobile companies are shocking, to put it mildly. One complaint after another is made against them, and not necessarily against local companies."

### Has Laws Ready

State supervision and taxation are here to stay, he said, and whether federal supervision is to be added is primarily the concern of insurance companies. If they operate fairly to the public and the policyholders they have little to fear, but if they do not, "the Colorado department does not intend to stand idly by. If these concerns want to test them, we have some stringent old laws that ought to give pause to those who think that the only right left to the policyholder is to pay premiums."

The commissioner touched briefly on the insurance measures adopted by the general assembly. They include a bill on sickness and accident; a multiple line law; a bill calling for a \$50,000 deposit with the department by reciprocals and licensing of their agents; an increase in pay for Colorado examiners; the fire and casualty rating bills, and three life insurance bills.

The new financial responsibility act raises some interesting questions, Mr. Kavanaugh declared. The law at least indirectly compels drivers to own insurance. Many companies are now refusing to write persons under age 25, and the commissioner asked if they could now

refuse if the driver's record is good. Perhaps a higher premium might be required, he noted.

Insurance is affected with a public interest, he said, and its rights to pick and choose policyholders are limited to some extent thereby. To exclude an entire class of drivers because of age or lack of it might endanger a company's license to do business in a state.

## N. Y. Fire Insurance Rate Increase of 8% in Offing

An increase averaging over-all about 8% in fire insurance rates in New York is reported to be in the offing. An agreement is said to have been reached between New York Fire Insurance Rating Organization and the New York department. The companies desired to have an over-all rate increase, but this the department turned down. The highest increase in any classification is said to be 25%. There will be no reductions in the profitable classifications.

## Jelinek to Minn. for New Hampshire

Howard H. Jelinek has been appointed state agent in Minnesota for New Hampshire and Granite State, succeeding Brent R. McCormick, resigned. He will have headquarters at 1245 McKnight Bldg., Minneapolis.

Mr. Jelinek has been with New Hampshire for several years as special agent in Nebraska and South Dakota, except for a period in the army, mostly in Iceland. He returned to the Nebraska-South Dakota field after his discharge. Before joining New Hampshire, he was special agent in the same territory for National Union.

## Tells How Mansfield Won the Grand Award

WASHINGTON—Monday afternoon, in the annual meeting of U. S. Chamber of Commerce, Arch Booth, its manager, presented plaques awarded in the annual national fire waste contest to representatives of Mansfield, winner of the grand award and to the winning cities in each of the population brackets as previously announced.

Mr. Booth said Mansfield reduced its fire losses from a five year average of \$4.62 per capita to 86¢ per person. The fire losses were only 20% of what they had been in the previous five years. Mansfield built up a fire department that saved approximately \$157,913 in property losses last year. The fire department monthly inspects business and public buildings, and all the firemen are trained in fire prevention inspection. The schools and civic clubs and industrial organizations cooperate in year round work. Public demonstrations were given for cleanup week and fire prevention week.

Mansfield is doubling the water supply of the city, and the city is drafting a new safety building code.

Virtually every organized club in Mansfield cooperated, and leading business men also took an active part in the work.

## Fries Suburban Head

J. Edwin Fries of Jamaica has been elected president of Suburban New York Assn. of Local Agents. The meeting was held at Sparkhill. William A. Kleine of Bronxville is first vice-president; George Barth, Amityville, 2d vice-president and Robert E. O'Donohue, Central Islip, secretary.

The guests included Carl Typermass, deputy insurance superintendent; A. J. Smith, president New York Fire Insurance Exchange, and A. C. Deiseroth, president New York State Assn. of Local Agents.

## Outlines of Texas City Losses Begin to Grow Clearer

In an official statement, Oil Association states that its cover on the Monsanto plant at Texas City is \$14,750,000 property damage and \$5 million U. & O. Oil Association also has \$2 million contingent U. & O. on the Monsanto plant at Springfield, Mass., which is dependent upon the Texas City plant in the styrene process.

DALLAS—Organized fire insurance has at last been able to put its catastrophe claim handling machinery into operation in Texas City to deal with the explosion and fire disasters that began April 16. Until late last week, practically all activities had naturally centered in relief work; but now the tedious task of rebuilding is under way.

While all estimates of damage are still tentative, they tend to substantiate the \$50,000,000 total insured loss figure computed by those that have surveyed the area, who then add that only time and detailed adjustments can give the final answer.

In the property insurance field certain details have come to light showing the extent of the damage, even though estimates of the loss on a particular piece of property may vary by hundreds of thousands of dollars, due to the fact that explosion damage is difficult to determine. Losses under casualty coverages show even greater variances, with workmen's compensation apparently in the lead in the loss column. Ocean and inland marine losses are conceded to be heavy, with no aggregate figure available.

### \$4 Million Life Loss

In the life field losses under ordinary, industrial and group coverages have been placed at between \$3 million and \$4 million with an emergency claims committee set up merely as a clearing house. No reliable figures are available relating to disability claims, but it is reported that lots of that business carried double indemnity.

Through elaborate reinsurance arrangements, reaching to the London market which is involved for "several million dollars," the losses will be paid expeditiously and will not fall heavily on any one company or group, since practically all licensed carriers are on one or more risks, at least indirectly.

The expensive underwriting lesson coming out of Texas City, is that something will have to be done to regulate the handling of ammonium nitrate, as no one yet knows how to control it. Some 60% of ammonium nitrate is oxygen and 32% nitrogen—and Texas City supplies gruesome evidence of their power when certain chemical reactions take place.

The largest loss will be at the Monsanto Chemical Co., with the property damage placed at from \$14 million to \$17 million and the use and occupancy at \$7 million.

In second place are the Texas City terminal properties, with wharves and extensive warehouses. This loss may run as high as \$7,500,000, with perhaps only one-third of that sum recoverable under insurance. In connection with this there will be about a \$1 million loss on railroad rolling stock and contents.

### Oil Property Damage

Of the oil and chemical properties damaged, at least two fall in the self-insured group, the Humble Oil Co., a subsidiary of Standard Oil, with a loss placed at \$1,250,000, and the Atlantic Pine Line Co., with an estimated loss of \$50,000.

Other oil properties and their approximate losses are: Republic, from \$500,000 to \$1 million; Pan-American Refinery, about \$450,000, including \$100,000 on terminal facilities alone; Southport Republic Terminal Co., from \$250,000 to \$350,000; Sid Richardson Refinery, from \$250,000 to \$500,000, and Stone Oil Co., about \$150,000.

Still other plants heavily involved include the Southwest Molasses Co., with a loss of \$60,000; Carbide & Carbon Chemical Co., from \$150,000 to \$250,000; Arrow Mills or Continental Grain Co., about \$300,000; Sea Grain Lines, about \$225,000, and properties of the Defense Plant Corporation. Apparently the Magnolia Petroleum Co. and the large tin smelter, several miles away, escaped serious damage.

With regard to the oil properties there is a purely academic question involved relating to the segregation of causes of loss. At the moment, officials estimate that 75% of the loss will fall in the explosion column and 25% in the fire column. In view of the fact that the Oil Insurance Association has nearly 100 of the largest stock companies in its membership, there is likewise no question about payment just as soon as the amount of loss has been determined.

Ocean marine losses include the complete destruction of the Grandcamp and of the Lykes Steamship Lines High Flier and also of extensive damage to a third boat belonging to Lykes. There is a report, too, that some lend-lease merchandise is involved.

The insured losses to dwellings and contents in Texas City have been estimated at \$2,250,000, involving some 4,500 claims. Losses to mercantile buildings and stocks and to municipal and school properties have been placed at \$1,000,000 each. A local committee of contractors, engineers, architects and plumbers, appointed by Mayor Curtis Trahan, a local agent, inspected 1,519 properties, condemning 539 or 35% as unsafe.

The factory mutual companies had the insurance on Ludlow Manufacturing & Sales Co. at Texas City. The net liability of the factory mutuals is 47.6% of \$940,000, the balance being reinsured at Lloyds.

R. G. Bachman, assistant general manager, and F. W. Westervelt, Jr., Fire Companies Adjustment Bureau, are in Texas City to obtain first hand information on the disaster. F.C.A.B. has established a temporary office at 422 Sixth street, Texas City, for adjustment of claims in the area.

## Clark Big Drawing Card

An exceptionally large turnout is expected for the annual luncheon meeting of Insurance Brokers Assn. of New York May 13, at which the speaker will be U. S. Attorney General Tom C. Clark.

## Pacific Board Rally

The annual meeting of the Pacific Board is being held at Coronado Hotel, Coronado, Cal., May 10. Pacific Fire Rating Bureau will meet at the same place May 12-13.

C. E. Allan, Northern Assurance, has been nominated for president of the Pacific Board, and Paul McKown, St. Paul F. & M., for vice-president.

John M. Wylie, Springfield F. & M., is slated for president of the rating bureau and E. V. Oliver, Security of New Haven, vice-president.

## Minn. Legislature Adjourns

ST. PAUL—The Minnesota legislature has adjourned. The bill for policemen's pensions was finally passed but with the 20% surcharge on casualty premiums eliminated.

In addition to rate legislation and other all-industry bills, measures enacted include one setting limits on auto dealers drive away coverage; one permitting confidential information in accident reports to be divulged in court; schedule or position bonds for all employees of Hennepin county requiring all deputies and clerks in Hennepin county register of deeds office to be bonded; providing for bid bonds by contractors.

## Utah Agents Welcome New Code Provisions

### Mid-Year Gathering Is Told of Gains for Producers

Utah Assn. of Insurance Agents held its mid-year meeting at Old Jupiter Lodge in Logan Canyon with an attendance far in excess of expectations. Many travelled by automobile more than 175 miles to attend.

The Cache Valley association, which



L. E. Payne



Arch G. Webb

includes Logan as well as the canyon meeting place, was credited with a 75% attendance, while the Ogden members had more members in attendance than any other local association.

President Lavone E. Payne, Provo, presided and H. B. Johnson, president



J. A. Ottenheimer



R. D. Callister

of the Cache Valley group made the address of welcome.

Executive Secretary Arch G. Webb said that "in all probability the association will finish the year without having to use its entire budget."

Mr. Payne, reporting on the association's progress, mentioned the recodifying of the insurance laws and the part the members took in obtaining favorable action from the legislature. He reviewed the outstanding work of the membership committee and praised the educational program. These achievements, together with the setting up of a budget and the raising of funds to make the association a self-sustaining, hard-hitting organization, was something the members could be justly proud of, he said.

#### Eubank Absent

National State Director Carlyle C. Eubank, Ogden, scheduled for a report on the Far West Conference, was unable to attend. In his stead past President J. A. Ottenheimer, Salt Lake, reviewed the happenings of the conference last February at San Francisco.

Sherman T. Hunter, Salt Lake, chairman of the accident and fire prevention committee, in his report told of the record made by the Cache Valley men. There were no fatalities in Logan during the past year, and it is tied for first place in the nation for this honor. The Safety Council for Utah is endeavoring to make fire prevention part of the school curriculum, Mr. Hunter said, adding that he was giving the program his support.

Ralph D. Callister, former association president, and member of the legislature's interim committee, discussed the code which becomes effective May 13.

Presidents of the local associations of Salt Lake, Ogden, Provo and Logan reported satisfactory progress.

Francis B. Goeltz, resolutions committee chairman, submitted three resolutions all of which were adopted. One authorized the executive committee to appoint a committee to wait upon Commissioner Carlson "and offer the services of the association in matters necessary for the advancement and effective operation of the agency business under the new code." The second dealt with code matters, requesting the executive committee to make a study of five items and report upon them at the next annual convention. The third, called for a change in name of the Pacific Fire Rating Bureau to Utah Fire Insurance Rating Bureau.

The association will hold its annual convention at Salt Lake City, Aug. 7-8. Program chairman is Adrian Hatch, Logan. The nominating committee comprises: J. Edwin Stein, Provo, chairman; J. A. Ottenheimer, Salt Lake, and Trace A. Turner, Ogden. Other committee chairmen are: Resolutions, Earl Jones, Ogden; credentials, H. B. Johnson, Logan; auditing, Arnold E. Burgener, Salt Lake, and entertainment, Eugene D. Amott, Salt Lake. Far West Conference Bureau (Casualty Bureau committee) consists of Ralph D. Callister, chairman, Salt Lake; E. Hugh Miller Salt Lake, and A. E. Burgener, Salt Lake.

#### Reviews Code Provisions

Mr. Callister reviewed those parts of the Utah code that concerned the agent particularly. The new law applies to all insurance transactions affecting subject matter wholly or in part within Utah. In the past the subject matter had been ambiguous and a great many policies that involved Utah exposures in one way or another were not counter-signed. Now he predicted that, because of the penalty provisions, non-residents will be careful to see that proper validation is secured in Utah.

Heretofore, there were no agency qualification provisions, licensing being simply contingent on paying a \$2 fee. Hereafter new applicants must pass a written and oral examination if located in a town of more than 400 and pay a \$2 examination fee and \$2 license fee. The commissioner may also require an established agent to pass an examination if he has reason to believe that the man is unqualified. The license is issued direct by the state to the individual and the latter pays his own license fee. Then each company pays the state \$2 for each of its agents.

The new law legalizes a practice that has been generally engaged in, that of brokering of risks. It is now permissible for one agent to place with another a portion of a risk if each is licensed for the type of insurance that is being brokered. The definitions of agent, solicitor and broker are clearly drawn. The agent must hold premiums in a fiduciary capacity.

#### Controlled Business

A broker must post a \$2,500 bond and cannot hold an agent's or solicitor's license. There is a provision as to "controlled" business but it offers little protection, Mr. Callister said. It requires controlled business to be less than 50% of total commissions, but controlled business is defined only as insurance on the life, person or property of an individual or his relations by blood or marriage to the second degree. Because of political expediency the association had to accept this definition, he said.

Under the new rating law, he said that equity rates in casualty insurance as they have been known will be a thing of the past.

He urged the agents to cooperate in every way to make the new laws effective.

## Fleets May Be Rented or Leased

Although it is not an unusual practice for certain concerns to supply business and industries with truck fleets on a lease or rental basis, supplying everything except cargo insurance and keeping the equipment in repair, the same arrangement for a private passenger car fleet is something that may develop now that the war is over.

It is not likely to grow to any extent until automobiles are more plentiful, but there are arrangements of this kind in operation. Insurance is included in the lease agreement and is purchased of course by the firm that owns the vehicles. The lease is at so much per week for a certain number of miles, plus so much per mile in excess of that distance.

#### Better Control of Expense

One purpose so far as the business firm is concerned is to secure a better control of the costs on fleet operation than perhaps the firm is getting where its salesmen are allowed so much for automobile expense.

One report is that in the west and south several such arrangements have been made.

There are certain limitations to the plan which may prevent its wide use. Although a firm would secure better control over this item in sales expense and avoid the problems attached to the operation of a fleet, if its territory were very large it might find it difficult to secure from an outside concern the kind of service it needed to keep the fleet rolling. There may exist at present something of a demand for the service because of the scarcity of equipment and the difficulty of getting it. Once automobiles are again plentiful, this demand might disappear.

Vehicles Transportation Co. of Brooklyn is one of the concerns that is operating in this field.

## Would Remove Restriction on Non-Residents in Wis.

Considerable interest beyond the borders of Wisconsin is being taken in the Wisconsin agents qualification bill that is now before the legislature, because it contains provisions which would permit licensed non-resident agents to write Wisconsin risks that are owned by Wisconsin residents. Under the present Wisconsin law licensed non-resident agents are permitted to write only those Wisconsin risks that are owned by non-residents of that state. This present restriction is a source of continuing dissatisfaction especially on the part of agents in Illinois cities close to the Wisconsin border.

## Oklahoma Service Clubs Feature Insurance Talent

During the week of the N.A.I.A. convention many leaders gave addresses before service clubs at Oklahoma City.

Oscar West, Washington manager, addressed the Lions Club; Carleton Fisher, Providence, was the speaker at a dinner meeting of Oklahoma City Wholesale & Retail Credit Men's Assn.

Roy Duffus, Rochester, talked to the Exchange Club; Walter Bennett, counsel, addressed the Kiwanis Club; Julius Levi, Houston, spoke to the Civitan Club, and John C. Stott, who is president of Chamber of Commerce of Norwich, N. Y., addressed the Oklahoma City Chamber of Commerce luncheon.

## White Seeks Reelection

Jesse L. White has announced his intention to stand for reelection as Mississippi commissioner in the August balloting. So far at least no opposition appeared.

## N. J. Group Hears of Fire Hazards

### Frank P. O. Potter Emphasizes Value of Flame Proofing

NEWARK—More than 60 members of the New Jersey Field Club turned out to hear Frank P. O. Potter, chief engineer of Automobile, discuss and demonstrate current fire hazards. Harold W. Wittich of Providence Washington, president, was presiding.

Month after month fire losses establish new records, Mr. Potter pointed out. Fire prevention is elementary, but that is the ground on which the fire insurance business as well as property owners today are fighting. If losses are to be stopped, it is vital to get back to causes.

Several of the most common causes of serious fires can be prevented today by treatment with flameproofing liquid which is readily purchasable for interior use.

#### Flameproofing

Mr. Potter cited the example of a town in Connecticut which recently planned an exhibition. After taking a look at the bunting and other decorations, the fire department said no. Those in charge of the exhibit purchased some flameproofing, sprayed it on the decorations, and the exhibit took place on the date scheduled. Other towns could have this authority. It could be secured also to guarantee that fire extinguishers are available on premises. He demonstrated the use of flame proofing on cotton, which is often used to decorate Christmas trees. Flameproof cotton can be purchased in the five and ten cent store—but seldom is.

One thing more and more widely used in industry is sodium peroxide, he said. This is found particularly in the making of modern, bleached furniture. This is extremely dangerous in conjunction with salt and water.

#### Post Office Fire

During the war there was a fire in a Connecticut post office. Although sabotage was suspected, it turned out to be the result of a broken package containing a quantity of glycerine and some potassium permanganate, an antiseptic, the package being on its way to a hair-dressing establishment. In combination these two may or may not ignite, but moisture agitates the combination and often serves to cause a quick, almost explosive and very hot fire.

Insurance companies still are losing bowling alleys, Mr. Potter pointed out. Why? This is because a wartime substitute alloy surface preparation is still being used, although the war is over, because alleys can be surfaced better with it than they can be with the material available before the substitute was discovered. However, the new material creates a much bigger hazard. It is colorless, and smells a good deal like banana oil. In applying it, the alleys are covered with a heavy coating. Fumes saturate the air, and a spark will explode it. The more times the alleys are covered, the more hardened the surface of this material becomes. Firemen have reported on bowling alley fires that the fire seemed to dance toward them. This means that the vapors from previous applications of the preparation were being driven off by the heat.

There are also plastic floors, particularly in skating rinks. Buckets of the stuff are poured on, and then a squeegee is used to spread it. It requires 45 hours to dry, and the fumes as it dries create a tremendous explosion and fire hazard. It has not yet been determined whether

(CONTINUED ON PAGE 19)



don herold

Nationally-known humorist  
and cartoonist

SAYS:



It can't  
be that  
much!

Add 'em up  
by don herold



VALUE  
OF YOUR  
HOUSEHOLD  
POSSESSIONS



AND FALL OVER!

You're richer than you think . . . in house-  
hold possessions.  
They grow on you.  
They mount up on you in value week by  
week, year by year.

Have you recently . . . or ever . . . taken a  
pad and pencil and added up the value of  
your furniture and clothes and other things  
in your home—room by room, closet by  
closet—shelf by shelf?

Do it, and you'll get the shock of your  
life. It's usually staggering!

All of us who have houses or apartments  
accumulate these things slowly—but we can  
lose them all mighty fast in a fire.  
How much would it cost you to replace  
everything in your home—and start all over  
from scratch right now?

So make a list today of all your household  
possessions and call your America Fore agent  
or broker and get covered quickly—and ade-  
quately. Keep the list at the office or somewhere  
else—not at home.

America Fore is a big, strong group of big,  
strong insurance companies who write fire,  
automobile, accident, liability, property dam-  
age insurance, bonds, etc.—practically every-  
thing but life insurance. Thousands of their  
agents and brokers all over America can place  
your insurance with these companies. Let one  
of these local America Fore men do your  
insurance worrying for you.

PROTECTION IS DIRT CHEAP

Fire insurance on household possessions  
costs so little that we are foolish to go on as  
ludicrously underinsured as most of us are.  
You read about plenty of fires these days.  
You, too, can have a pip of a fire any minute.

THE CONTINENTAL  
FIDELITY-PHENIX  
FIDELITY AND CASUALTY  
NIAGARA  
AMERICAN EAGLE  
(FIRE INSURANCE COMPANIES)  
COMPANY OF NEW YORK  
Bernard M. Colvar, Chairman  
Frank A. Christensen, President

America Fore  
INSURANCE GROUP

"Most people are richer than they think—in household posses-  
sions—yet woefully underinsured" is don herold's message in America  
Fore's national advertising appearing in The Saturday Evening Post,  
Collier's, Time, Newsweek and Fortune during May. ¶ America Fore agents  
stress this vital insurance need in their local communities by direct mail,  
posters, and newspaper mats which tie-in with our national advertising.

## Richards President of General Agents

(CONTINUED FROM PAGE 1)

their business, but that no action has been taken. The idea behind it would be to get information for comparison with other types of company operation. Mr. Stebbins insisted that general agents have no quarrel with companies over their preferred method of operation, adding that the association never takes sides in differences of opinion involving a general agent and his company since that is a matter of private contract.

The first formal address was made by President Guy T. Warfield, Jr., Baltimore, of the National Assn. of Insurance Agents on "Insurance Producer Today and in the Future," in which he dwelt on the important position held by local producers not only in getting proper state regulation of the business, but also in helping other business men in the fight against socialistic trends and in contributing to community development.

On the issue of regulation, Mr. Warfield pointed out that "no state has yet passed a bill which guarantees that the government will not step in. The final tests of the measures will be whether the regulation is reasonable, fair and flexible enough to meet public needs."

Mr. Warfield called for streamlining operations of the business so as to avoid red tape and to decrease costs, especially in the handling of small premium business. He told of the actuarial study now being made by the N.A.I.A. in order to pick out faults in the system since, in his opinion, "there are dangers in our failure to offer insurance coverage." He discussed the need for reorganization of operations and methods so that insurance men can compete more aggressively for the consumer's dollar.

A talk on the need for business men, especially those in insurance, to oppose the expansion of consumer cooperatives, was made by Joseph F. Leopold, Dallas, manager of the southern department of National Tax Equality Assn., who cited many instances of cooperative groups that escape taxation. He classed insurance as one of the most dilatory groups in fighting the movement, and urged that the producers work on company managements to get action.

### Zimmerman on House Organs

The house organ is the most valuable medium of publicity available to the supervising agent, H. G. Zimmerman, vice-president, L. E. Ellis & Co., Des Moines, declared.

"There is no method of advertising which for pulling power and lasting effectiveness can compete with the neatly printed page," he said. "The radio, the neon sign, the billboard, the placard, the mimeograph and even the lowly rubber stamp have each their proper place in such a program but collectively and individually, they pale into insignificance when brought into competition with a well edited, well balanced, neatly imprinted house organ."

Mr. Zimmerman said that the services of fieldmen are made more effective when the agents upon whom they call are kept informed on developments in the business through the medium of the supervisory agent's house organ.

He warned that publishing a house organ is more or less a profession requiring the talents of an individual who is peculiarly fitted for the task. He advised his listeners unless they have some one in their organization who has had experience in writing news and publicity not to start such a publication.

C. D. Minor, president of Virginia F. & M., reviewed the problems brought about by the tremendous influx of premiums and a correspondingly increasing loss ratio. He said the situation calls for higher rates and stricter underwriting practices.

A list of "objectionable practices" that general agent should avoid were listed by Richard H. McLarry, Dallas agent,

in his talk on "Why Local Agents Should Deal With General Agency Companies."

He remarked that the local and general agents are close kin, their interests run hand in hand.

The 12 practices needing correction as given by Mr. McLarry are: 1. Solicitation of business from the public, which is the local agent's job. 2. See that deserving agents participate in servicing brokerage business coming from the companies. 3. Avoid having young inexperienced fieldmen. 4. Keep accurate memoranda on special favors granted agents. 5. Avoid being promiscuous in planting agencies. 6. Insist on an equitable share of an agent's business. 7. Keep accounting up to date. 8. Don't let company branch offices offer a superior service. 9. Avoid "secret deals," which "become common knowledge tomorrow." 10. Treat agents as human beings. 11. Be prepared to advise agents on problems of agency management; and 12. Keep well posted on current developments, passing along all such information to agents.

Mr. McLarry mentioned four major benefits resulting from representing general agents, saying they offer greater net lines through office reinsurance arrangements; the general agent offers greater buying power for the benefit of local agents; they have available overall facilities of many companies, and they afford personal dealings with agents in the territory.

### Strike Catastrophe Note

The catastrophe note in insurance took the spotlight in the general agents' deliberations on the second day with a showing of technicolor movie of the 1946 hail storm at San Antonio, shown and commented on by James F. Miazza, assistant general manager in the southwestern department of F.C.A.B., and an explanation of "The Handling of Catastrophe Losses" in a talk by Donald B. Sherwood, general adjuster of the National Board.

Mr. Miazza, in his comments, said that the San Antonio hail loss was the heaviest on record, involving an insured loss in excess of \$7 million. He pointed out, too, that about 30% of all the extended coverage protection written in the country originates in the four southwestern states, with Texas alone showing premiums of \$25 million.

Mr. Sherwood, who has been at Texas City organizing the claim handling procedure, outlined the National Board's method of operation through setting up a central office manned by officials of loss departments, adjusters and contractors.

Mr. Sherwood cited the inadvisability of haste in making claim settlements and said that a uniform price list of essential materials and a uniform scale of depreciation should be established.

The remainder of the session was given over to routine association affairs through the submission of various committee reports, which reflected an absence of controversial matters. Committee chairmen reporting were: Philip D. Richards, San Francisco, for the executive committee; F. J. Pelletier, San Francisco, on conference developments; George E. Edmondson, Tampa, on membership, and Joshua K. Shepherd, Little Rock, on his work as national councillor.

The final session Wednesday, in addition to the election of officers, included addresses by Norman S. White, secretary Home, on "General Agency Relations"; Richard H. McLarry, Dallas local agent, on "Why a Local Agent Should Do Business Through a General Agency"; and William J. Traynor, advertising manager of North British, on "Advertising As Pertains To General Agents."

The association now has 184 members.

## Muster Insurers to Meet Govt. Threat

### Watkins Tells Union League Group of Socialism's Challenge

The answer to the threat of socialization of the insurance business lies in

mustering the tremendous good will of the insurance buying public and in turning this mighty force of public opinion upon Congress, state legislatures and municipal councils. Ferre C. Watkins, prominent Chicago insurance attorney, told the insurance group of Union League Club of Chicago this week. Speaking on "Are We Watching the Twilight of Private Insurance?" Mr. Watkins declared that the threat is serious, though perhaps not immediate, but it can be warded off by a courageous counter-attack along these lines.

As an example of this powerful force, Mr. Watkins quoted Supreme Court Justice Frankfurter that no financial institution has such public affection and confidence as the insurance business, as the Southeastern Underwriters Assn. case showed. The demand of the public, the justice said, forced Congress to overrule the supreme court decision and restore state supervision through Public Law 15.

### Danger of Insidious Attack

While there are many "scheming men reaching for the more than \$50 billion of insurance assets" and this is obvious when one studies the hearings on any insurance measure, Mr. Watkins said that there is no present frontal attack on insurance. Such an attack would be unsuccessful in this country. Instead, he said, the danger lies in two insidious attacks—inflation and gradual assumption of control over activities under one guise or another.

To show what inflation can do to the private insurance business, Mr. Watkins said that after the first war German insurance companies lost 95.6% of their assets and 80% of their life policies through inflation—an infinitely greater blow than the heavy loss of life during the war. The assets of a large Austrian company were cut to one-tenth of 1% of their pre-war figure and, even in France, which was on the winning side, the companies lost 80% of their assets.

### Growth of Socialized Insurance

Mr. Watkins reminded his audience that private insurance is neither as old nor as well-entrenched as many people think. The first American company licensed to write life insurance was North America, in 1794. When it discontinued life coverage in the early 1800's, no other American company was writing it.

Socialized insurance, Mr. Watkins said, started in Germany in 1883, at the insistence of Chancellor Bismarck, and was followed in Denmark in 1892. A limited program began in England in 1911, providing for disability benefits for loss of earnings, cash medical and hospital benefits and prepaid medical care. At the outbreak of the second war, 40 countries had some form of compulsory government insurance.

In the U. S. only two states so far have cash sickness benefits, California and Rhode Island. This is only a start, Mr. Watkins said, pointing out that Gov. Driscoll of New Jersey stated he would call a special session of the legislature to reconsider the proposal just rejected there. He reminded his audi-



Ferre C. Watkins

## Aetna Fire Maps Financing Program of \$10 Million

HARTFORD—Directors of Aetna Fire voted Monday to increase the capital stock by issuance of 250,000 new shares for the purpose of obtaining additional capital and surplus of \$10 million.

President W. Ross McCain reported that because of the continued rise of premium income it is desirable to increase capital and surplus by issuing a portion of the unissued authorized capital stock. It is expected that the present rate of dividend will be continued on the new shares.

## New Auto Rates Produce Relief

The automobile physical damage rate increases that become effective Thursday in 34 states embrace very substantial improvement in the collision premium. The program was delayed and insurers have been waiting for it, as a starved man for a crust. The heaviest collision increases fall on the oldest age groups, due to the fact that identical rates are now charged for age groups 1 and 2. Likewise identical rates are indicated for groups 3 and 4. The new cars get the smallest increase, proportionately, but some of the statisticians feel that this is not sufficient, judging by the costly repair jobs that minor bumps entail for these dressed up vehicles.

The rate increase for the oldest cars at some points is in the range of 70%.

It is reported that the over-all increase for collision coverages on private passenger cars will be 20 to 25% in New York, running as high as 30% on age group 4 in that state, under the new auto physical damage filing effective this week. The cost of \$25 deductible collision is to take a big jump, comprehensive will be 10 to 20% higher with the minimum going from \$6 to \$8.

## Montana Dates Fixed

The annual meeting of Montana Assn. of Insurance Agents has been set for Aug. 18-19 at the Florence hotel, Missoula.

ence that David Lloyd George had admitted in 1938 that the Liberal party pushed social insurance because it needed to take votes from the Labor party, rather than because of any public need.

### Marshall Public Opinion

Reminding his audience that the Wagner-Murray-Dingell bill is sleeping, but far from dead, Mr. Walker said that only an aroused public opinion will speak the language congressmen understand. The 74 million life insurance policyholders are a mighty reservoir of strength which should be tapped immediately by executives of courage and vision. They should be addressed, not in the words of an actuary, but "in language a scrubwoman can understand." He emphasized that life insurance men should not delude themselves into a sense of security just because the present campaign is against private accident and sickness insurance.

Elisha Hanson, Washington, counsel for American Newspaper Publishers Assn., who has appeared in many historic U. S. Supreme Court cases, and Paul F. Jones, Danville, former Illinois insurance director were introduced. C. M. Cartwright, editor of THE NATIONAL UNDERWRITER, chairman of the insurance group, was in charge. He paid a special tribute to Charles F. Thomas, a member of the group, on his retirement as secretary of Western Underwriters Assn.



*Greetings!*

From the Dallas General Agents

GREETINGS

**WALTER  
SOUTHGATE  
COMPANY**

**DALLAS**

**FRANK RIMMER & COMPANY**

Insurance Managers

Writing all forms of  
Marine Insurance

**DALLAS**

Houston

Oklahoma City

Established 1904

**T. A. MANNING  
& SONS**

Insurance Managers

**DALLAS**

The Symbol of Insurance Service

Since 1876



**Trezevant & Cochran**

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## Licensing - Qualification Questions Illuminated

The agency licensing and qualification law situation was covered exhaustively and with clarity at the "activity conference" on this subject at the N.A.I.A. Oklahoma City meeting under the direction of Herman C. Wolff, Indianapolis.

Notes were traded on the experiences in the various states which gave the participants a good conception of the common denominator of the problem. It was generally agreed that the great stumbling block and indeed just about the only one of consequence is the opposition of General Motors.

At the outset Mr. Wolff expressed opposition to legislation providing for mandatory division of countersignature commissions, saying that this could breed more extensive commission regulation legislation. He also voiced the belief the amount of fees required for licensing of non-residents should be uniform among the states.

### Tells of New Law in N. Y.

Walter H. Bennett, N. A. I. A. counsel, was asked to explain the new law in New York barring lenders on personal property from controlling the insurance. It is contained in the penal code and is an extension of the law in the same area pertaining to real estate mortgages.

The Florida situation was referred to and Mr. Bennett told the history there. He recalled that the Florida licensing statute provides the commissioner shall be satisfied that the applicant is intending in good faith to carry on an insurance business. Florida agents, contending that General Motors dealers were not in good faith insurance men, induced the commissioner to try to block their licensing. Whereat General Motors sent 12 dealers to University of Florida to bone up on insurance and they passed the state examination. The local agents got an injunction restraining the commissioner from licensing those dealers but General Motors emerged triumphant in the court battle.

John Neville, assistant counsel, outlined a possible angle of attack. He had been given a booklet containing the Ohio law governing the requirements for licensing of auto dealers in the automobile business. The applicant must have a place of business where he conducts an automobile business exclusively. He may sell farm machinery but not used parts. The question is whether by selling insurance the dealer is violating the terms of his licensure.

### Rhode Island Situation

Carleton Fisher, Providence, said the Rhode Island law is similar. It is much more strict than what the Rhode Island agents desired to get in the way of an agents licensing law. General Motors attacked any provision limiting the right of an agent to engage in other lines, but at the same time an auto dealer is forbidden to operate afield. General Motors called the provision "un-American" and "licked us," Mr. Fisher said.

The auto dealers association in Rhode Island had enacted its law, which in addition to requiring the applicant to be engaged solely in the automobile business, required him to have a net worth of \$5,000 and to operate a full fledged repair shop. The licensing board consists of five auto dealers and yet General Motors objected to a provision for a licensing board for insurance agents which would include two representatives of the public, a stock company man, a mutual man and an agent.

Mr. Fisher suggested the possibility of winning to the agents' cause auto dealers other than those of General Motors.

John Hennessy of Louisville said there had been some improvement in Kentucky since Insurance Director Wilson issued a warning to mortgagees that

there is in the state an anti-coercion statute and that it will be invoked.

H. O. Wilber, Denver, said that most of the dealers there for the past 2½ years have been operating a cooperative purchasing plan and they are now threatening to operate their own insurance companies, not only fire, but casualty. If the threat becomes serious, the local board, he said, may decide to set up its own garages.

Harold Barnes of Pittsfield told about the Massachusetts so-called 10% controlled law whereunder an agent or broker may not be licensed, either originally or upon renewal if more than 10% of his premiums come from business of his own, that of his immediate family, trusteeships in which he is interested or by reason of being an officer of a corporation. The law does not refer to vendors, so it does not bar dealer licensing, but he said very few dealers are licensed in Massachusetts, thanks mainly to the vigilance of Commissioner Harrington.

### Law Is Shot At

Until this year strenuous efforts have been made at each session of the legislature either to repeal or weaken the statute. Opposition comes mainly from the real estate association and certain lawyers. Last year it was amended to permit veterans of any war to have 25% controlled business. The law has never been subjected to court test.

G. W. Blomgren, Minneapolis, inquired how the statute is policed, and Mr. Barnes explained that the applicant must answer the question under penalty of perjury and department examiners have access to the agent's books. He said the law should be extended to include vendors and business of brother or sister in the controlled category.

C. M. Cubbage, Jacksonville, said the dealers in Florida operate under a limited license and are not going beyond the realm of comprehensive and collision on financed cars.

Mr. Fisher said General Motors offered to enter into such an agreement in Rhode Island but it was turned down. A law was enacted in Rhode Island specifying that a licensee shall be licensed for all the lines of insurance which the insurer is chartered to write. Since Motors, the General Motors company, is chartered as a full fledged fire company, the commissioner cannot issue limited licenses to its agents.

One of the members of the group said he wondered how many legislators are driving new automobiles.

Stanley Cowman of Philadelphia outlined the tangled Pennsylvania situation. The former commissioner there had been deferring the licensing of General Motors dealers, but before he went out of office there were indications that he was going to issue such licenses. The agents asked him to let General Motors take him into court, but since he would not do so the agents group brought proceedings. They relied on a provision that has been in the licensing law since 1920 requiring the applicant to have "experience in underwriting." The agents got an injunction restraining the commissioner from issuing any license unless the applicant had such experience and from Jan. 2 to April 5 no licenses were issued. An insurance committee was named to try to agree on a definition of "experience in underwriting." The life people were able to do so, but the fire and casualty interests got stalemated. The agents held out for some definite period of experience in insurance but lost out. The outcome was a long definition.

The examination questions in Pennsylvania have been too easy, he said. A high school graduate could prepare for the test in two hours. Commissioner Malone, he declared, now desires to

have the standards of the questions elevated gradually and the agents hope that eventually the examination will compare with that required for the C. P. C. U. designation. An insurance committee, including Dr. H. J. Loman of University of Pennsylvania, and the head of the C. P. C. U. chapter at Philadelphia will help devise the questions.

A bill was introduced for a \$5 fee for taking the examination, the proceeds to be used to compensate the technical men preparing the examinations. However this has been modified to exact the fee only of an applicant who does not turn up the first time.

### Mutual Men Cooperate

Mr. Cowman said good cooperation has been received from Tri-State Mutual Agents Assn. "We have learned," he said, "that they have the same kind of blood in their veins even though they sell a different product."

General Motors dealers have not yet been licensed in Pennsylvania. He said the solution is to raise the qualifications "to heaven."

Urban Krier of Wisconsin voiced the belief it is a mistake to set the qualifications too high, as the opposition can turn this to their own advantage. Mr. Wolff said he had come around to the idea of proceeding gradually rather than going "whole hog" at once.

There was considerable sentiment in favor of N. A. I. A. exerting its influence to get higher salaries for insurance commissioners.

### Reilly on Forum

NEW YORK—William E. Reilly of the Eagle, Globe and Royal Indemnity companies presided at the April Surety Company Claim Men's Forum and discussed a number of hypothetical problems under insuring clause C of the bankers blanket bond form. This clause protects banks against the loss of property while in transit by messengers acting for the bank.

The next meeting will be May 7, Oscar R. U. del Giudice of Columbia Casualty, will preside.

## Newly Elevated

Among those recently advanced to new positions and duties by Home are Herbert A. Payne, who was elected vice-president and secretary in charge of the western department, and Joseph A. Carruth, who was promoted from general agent of the southern



J. A. Carruth



H. A. Payne

ern department to secretary serving in the southern division at the home office.

Mr. Payne succeeds Vice-president Leonard Peterson, now vice-president and controller, as head of the western department. Mr. Payne joined the company in 1921 following his discharge from the army as a captain. He became assistant general adjuster in 1926. Transferred to the eastern department as supervisor in 1939, he was elected assistant secretary the same year. He became secretary in 1941 and assistant vice-president and secretary in 1945.

Mr. Carruth joined the company in 1920 as a special agent in the Carolinas. He was made state agent in 1930 and manager in 1940. A veteran of the first world war, he was director of the Home's school for veterans of the last war. In addition to his other duties he is a director of the Carolina of the Home fleet.

## File Bill to Amend Auto Title Law in Michigan

LANSING—A bill has been introduced in the Michigan house which would tend to improve the competitive position of independent, agent-represented automobile insurers as compared with finance company-controlled carriers which frequently provide only minimum coverage of the mortgage interest. The measure would amend the present motor vehicle title insurance act, requiring a statement by the seller to the buyer containing pertinent provisions of the contract, to make the further provision that this statement must contain the "types of insurance coverage by insurance policy or policies."

## American Names Two New Special Agents at Detroit

Charles L. Hobbs, Jr., and Joseph L. Weidenbach, Jr., have been named special agents in the Detroit area for American to assist State Agent L. J. McDonnell.

Mr. Hobbs has been with Western Actuarial Bureau and Michigan Inspection Bureau, and was in the army for four years.

Mr. Weidenbach has been with American since 1941, except for a period in the service, and since 1945 has been at Detroit, specializing in inland marine.

## Fire Waste Council Adds Six to Executive Group

WASHINGTON—The National Fire Waste Council has elected to its executive committee A. B. Jackson, vice-president St. Paul F. & M.; George F. Reeder, secretary, Moline (Ill.) Assn. of Commerce; W. R. Ulrich, general manager Atlanta Chamber of Commerce; Calvin G. Lauber, engineer of National Board, New York; Harry Shearer, assistant secretary Detroit Board of Commerce, and C. E. Rigby, president Blackstone Mutual Fire.

A special tribute was paid three members of the executive committee who have served 25 years. They are: George W. Booth, chief engineer National Board; Percy Bugbee, general manager National Fire Protection Assn., and Eugene Arms, general manager Mill Mutual Fire Prevention Bureau, Chicago.

H. E. Hilton, assistant manager insurance department U. S. Chamber of Commerce, was named secretary of the executive committee.

The council is comprised of 36 organizations under the sponsorship of the U. S. Chamber.

## Mutual Institutes in Buffalo, Cedar Rapids

The American Mutual Alliance will revive its insurance short courses this fall and expand them to include casualty insurance. Under the name of Mutual Fire & Casualty Institute, one session will be held at the Statler hotel in Buffalo, Sept. 15-17, and another at the Montrose hotel in Cedar Rapids, Nov. 6-8.

These courses will follow the same pattern as the former Institute of Fire Insurance, held successfully in Pittsburgh in 1940 and in Charlotte in 1941. Each will consist of a three day series of lectures by university professors and company executives, each lecture followed by a discussion period with a panel of three technical advisers answering questions. J. M. Eaton, assistant general manager, will again be in charge.

## Danby Succeeds Jacobs

Crill D. Danby has been named manager of the automobile department of Auto-Owners, Lansing, Mich., casualty mutual, to succeed John Jacobs who resigned to open a general agency in that city. Mr. Danby has been with Auto-Owners for 14 years, recently as assistant manager.

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**MINOR TELLS GENERAL AGENTS****Underwriting Losses  
Call for Higher Rates,  
Better Selection**

Fire companies can ill-afford to continue to show an underwriting loss in the straight fire class, and there must be either an increase in rates sufficient to meet the increase in losses, or underwriters must become so selective as to deny protection to a large segment of risks which would be acceptable if adequately rated, C. D. Minor, president Virginia F. & M., told the American Assn. of Insurance General Agents at Dallas this week. Through the last 20 years, Mr. Minor pointed out, there has been a decline in fire rates on an average of about 50%, while at the same time there has been a general broadening of the coverage. Experience in the past two years indicates that "insurers

He should avoid passing along jumbo lines to be absorbed through reinsurance while that market is glutted.

"Certainly, if we do not have our houses in order from an underwriting standpoint when the recession arrives, we shall be obliged to pay the penalty and that penalty is likely to be severe," he commented, adding that the present, with its abundance of premiums is a most opportune time for a good housecleaning both as to agencies whose records have been consistently on the unfavorable side and as to risks known to be sub-standard.

**C. D. MINOR**

and public officials in their desire to give insureds the greatest value possible, have well nigh precluded an average margin of profit to which insurers are entitled," he said.

Mr. Minor said he hoped, for the time being, the day of rate reductions is past and that if circumstances warrant, the pattern established recently in the automobile lines will be followed with respect to other classes.

**"Growing Pains" Becoming Acute**

Most 1946 annual statements reflect a semblance of growing pains on the part of companies, Mr. Minor remarked, and if the "over-abundance" of premiums is to continue, in some cases they may lead to conditions of real acuteness.

The tremendous increase in premiums combined with an almost equal increase in losses has brought the companies to the point where they must apply stricter underwriting practices to avoid being gorged by a premium income in excess of that which can be assimilated safely, he asserted. At the same time they must help bring about a correction in the prevailing loss ratio.

Mr. Minor pointed out that the loss ratio has been unfavorable during a period when moral hazard has been almost extinct, adding that he believed there has been undue liberalization of coverage simply because of an abnormal flow of premiums.

If this is so with the economical level as it is today, he said, insurers should look forward to the time, "perhaps not many months hence," when there will be a recession in values and when the burning ratio may be accelerated as a consequence of moral hazard.

Both companies and agencies can help in underwriting reforms, he declared. The supervising general agent should employ the soundest possible underwriting practices and extend his efforts production-wise in procuring quality risks.

**Kill Vermont  
Tax on Surplus**

Governor Gibson of Vermont has signed an act whereby a long existing tax on the surplus of life, fire and casualty companies domiciled in Vermont is repealed. The repeal passed both houses of the legislature with only one speech in opposition.

A commission appointed by Former Governor Proctor to consider new sources of revenue had unanimously favored the elimination of the surplus

tax on insurance companies domiciled in Vermont as a discriminatory tax because outside companies doing business in Vermont escaped this tax burden. The 2% tax on premiums remains unchanged.

National Life of Vermont joined several Vermont fire and casualty companies in protest at the inequity of the tax. Deane C. Davis, vice-president and general counsel of National Life and Attorneys Walter J. Nelson and David W. Hoxie drew up a brief which convinced the commission that the tax was unjust. National Life will save nearly \$100,000 a year in its tax bill.

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## Slight Easing in Demand on Fire Insurers

NEW YORK—Business for the fire companies continues to pour in, although in recent weeks there is slight evidence of an easing up in demand. Companies still are, however, far ahead of a year ago in the volume of business being processed. One large group is reliably reported to be 80% ahead of 1946, in the first two months of the year, which represents a really large amount of business. Small companies and large are getting what they regard as all they can handle.

With the market so fairly saturated, facultative reinsurance placement has been difficult, but there is no evidence that the companies are not eventually accommodating the business. The pressure on the processing machinery has been painfully heavy for months, and one company man commented the other day that if his organization stopped taking business now it would take three months to catch up.

A great deal of the increased amount of business has come through reporting forms on renewal as inventories built up. These inventories are high priced and large, and they are not moving rapidly. They have been backing up in the face of price resistance. A sharp break in prices would start the material moving out and quickly ease the pressure on the insurance market.

That inventories are a key to the insurance market situation is indicated by the fact that in recent weeks there have been big increases from lumber yards, which are now filling up, radio cabinet manufacturers, and some others of that sort.

Regional meeting of District 7 of the National Assn. of Insurance Women will be at Shawnee on the Delaware, Pa., May 2-4.

## Names T. C. Morrill N. Y. Deputy

NEW YORK — Appointment of Thomas C. Morrill as deputy New York superintendent is announced by Superintendent Dinneen.

Mr. Morrill joined the department in November, 1945, and has served as assistant to the superintendent. His prior business experience was with Alfred M. Best Co. From 1929 to 1940 he was employed in the Chicago office as assistant to Raymond T. Smith, vice-president, and subsequently was transferred to the New York office as associate manager of the casualty department.

Mr. Morrill was born at Chicago, where he was educated at Central College of Arts & Sciences and Northwestern University. He is a trustee of Garden City Community Church.



T. C. Morrill

## O'Toole at East St. Louis

EAST ST. LOUIS, ILL.—John J. O'Toole, past president of the Insurance Board of St. Louis, addressed the East St. Louis Insurance Bureau, strongly opposing the all-industry bills.

B. G. Gregory, manager St. Louis Board and executive secretary Missouri Assn. of Insurance Agents, extended greetings on behalf of those organizations.

The East St. Louis Bureau will hold an open forum May 12 on insurance and its services to the American public. Insurance company representatives, adjusters, building contractors and city officials will participate in the forum.

## Statistical Assn. Program Released

The program of the annual conference of Insurance Accounting & Statistical Assn., May 15-17 at Chicago, will run as follows:

Thursday morning, May 15—Address of welcome by Director Parkinson of Illinois; presidential remarks, Hudson J. Stowe, Manufacturers Life; business meeting, treasurer's report, reports of committees, general business; history of the conference by George Westerman, Reliance Life.

Thursday luncheon—Chase M. Smith, general counsel Lumbermen's Mutual Casualty.

Thursday afternoon—Group sessions. Friday morning, May 16—General session. "The Research Department Attains its Objectives" by Fred W. Campbell, research director. Unfinished business, report of nominating committee, open forum discussion on accounting equipment. "The New 602 Multiplier", J. W. Hughes, Security Mutual. "Punch Card Checks", Arthur W. Wolf, Prudential. "The Multiline Printer", C. W. Grady, Midland Mutual. "Sequence Control Calculator", Edmund Berkley, Prudential. Friday luncheon—Alfred N. Guertin, American Life Convention.

Friday afternoon—Group sessions. Saturday morning, May 17—Group sessions.

Saturday luncheon—"Trends in Post-war Tax Policy" by J. Grant Glassco, Canadian Tax Foundation.

In the group sessions of the various sections problems peculiar to each type of business will be discussed. In the fire section on Thursday afternoon the following topics will be treated:

Accounting — Premium registration, agents account, checking with punched cards, bank reconciliation, expiration lists, cash receipts, disbursements, journal entries, general ledger, accounts receivable posting by punched cards, payroll, excess and catastrophe procedure.

Supervision—Personnel training, coding, card design, form design standardization, arrangement of equipment, special applications, card storage.

Friday afternoon, statistical—Monthly income controls, commission reserves, unearned premium reserves, claims incurred and paid, comparative records—agents and reinsurance companies, N.A.U.A. reports, classification reports from home office, federation and N.B.C. Annual statement—Schedule T, schedule F, other schedules, tax reports, city and town schedules.

Saturday morning—Joint fire and casualty panel discussion of uniform accounting and related subjects.

Casualty section, Thursday afternoon—Welcome by casualty director and report of work of section for past year. Reports furnished executives, expense studies, discussion of proposed joint fire and casualty annual statement blank, punch card applications practical for small companies.

Friday afternoon—Results of investigation by New York department of company account classifications, automobile and miscellaneous lines, statistical calls, work of National Assn. of Independent Insurers, panel discussion of personnel and management problems, introduction of new casualty director and discussion of plans by section for coming year.

Saturday morning, joint fire and casualty—Panel on uniform accounting.

## Thatcher Heads Cal. Group

Hamilton Thatcher, Jr., marine secretary of Founders Fire & Marine of Los Angeles, is the new president of the Marine Underwriters of Southern California. Harold Smethurst, Automobile, is vice-president, and Jack Ward, Matthews & Livingston, secretary.

## Brooklyn Golf Day

The golf tournament of Brooklyn Insurance Brokers Assn. will be held at Rockville Center Country Club May 6.

## Cleaners' Service Charge Opined Illegal in California

LOS ANGELES—On request of Commissioner Downey, Attorney General Howser of California has handed down an opinion that the collection of a service charge from customers by cleaners and dyers on their representation that it will be used to reimburse customers for damage or loss through hazards not covered by an insurance policy is not lawful in the state except when authorized by the commissioner.

The attorney general sees no objection to segregating charges into a basic charge and a service charge, nor advertisement by the cleaner and dyer that a portion of the service charge is used to purchase insurance. But he says "The representation to the customers . . . that the rest of the service charge will be used to reimburse the customer for mysterious disappearance of or damage . . . while being processed by the cleaner and dyer is part of an unlawful transaction."

The cleaners and dyers had proposed a service charge of from 4 to 6% out of which 1% would be paid for a bailees' customers policy, insuring against specified perils and excepting mysterious disappearance and damages from processing. It is proposed that the balance of the service charge be held in a fund for payment of loss or of damage to garments not covered by the insurance and that a placard explaining this be posted in the stores, including a note that the fund is not insurance, that any payment made is within the control of the proprietor, and that the money is the property of the establishment. This is the portion held illegal without a certificate of authority from the commissioner.

## Michigan Agents Follow Up "Knock for Knock" Resolution

LANSING, MICH.—The Michigan Assn. of Insurance Agents automobile committee, following through on a resolution adopted at the mid-year meeting condemning inter-company agreements on automobile settlements and claim rejections, has scheduled a conference here May 14 to review the situation.

In a special bulletin to members, it is noted that all companies writing automobile business in the state were sent copies of the resolution which asked that the practice be eliminated and the committee is seeking replies.

Agents are being requested to discuss the matter "very frankly and firmly" with company representatives and report results through the association headquarters.

"Document your reports with names of companies and adjusters," the bulletin advises, announcing that the automobile committee, headed by Eugene N. Houck, Lansing, will review all responses, or lack of them, from the companies and will review agency reports.

## Tri-State Mutual Men Meet

HERSHEY, PA.—Nearly 200 members of the Tri-State Mutual Agents Assn. of Pennsylvania, Maryland and Delaware attended a two-day convention here.

Marlin W. Rolfe, Harrisburg, discussed "Pennsylvania's New Financial Responsibility Law," and Earl E. Willard, New York, talked on "Prestige Selling."

Thomas J. Andrews, Perkiomenville, talked on "How to Open That Door, Richard." Others who spoke included H. C. Fenno, Philadelphia, former president; Commissioner Malone and the newly-elected president and vice-president, M. Joseph Walsh, Scranton, and H. Clay Johnston, Philadelphia.

Rev. Charles D. Kean, pastor of Grace Church, Kirkwood, Mo., spoke on "The Problem of Power in Today's World" at the April luncheon meeting of the St. Louis Blue Goose.



Fire :: Automobile :: Inland Marine

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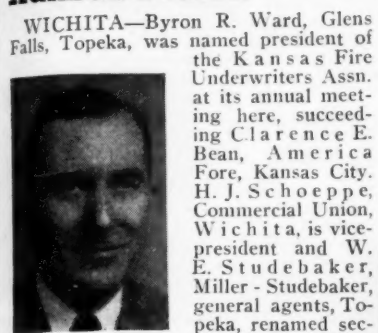
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May 1, 1947

## Byron Ward Heads Kansas F.U.A.



Byron R. Ward

WICHITA—Byron R. Ward, Glens Falls, Topeka, was named president of the Kansas Fire Underwriters Assn. at its annual meeting here, succeeding Clarence E. Bean, America Fore, Kansas City.

H. J. Schoeppe, Commercial Union, Wichita, is vice-president and W. E. Studebaker, Miller-Studebaker, general agents, Topeka, renamed secretary. The Kansas Field Club of the Western Insurance Bureau reelected all officers: Harold E. Holtz, Millers National, Topeka, president; Paul Cram, Northwestern National, Oklahoma City, vice-president and J. Y. Dickerson, Loyalty group, Topeka, secretary. Both meetings were held in Wichita Tuesday.

All representatives of Kansas stock fire companies met together for a report of the educational and public relations committee headed by W. F. Ehret, America Fore, Wichita, with Alpha H. Kenna, executive manager and educational director of the Kansas Assn. of Insurance Agents, Topeka, as guest speaker. Various zone meetings were reported for the past year and the new administration plans continuation of these programs in conjunction with the agents' association to carry out the public relations program of the National Board and N.A.I.A.

More than 100 were on hand for the annual meetings of the Kansas Fire Prevention Assn. and Kansas Blue Goose Wednesday. More than 20 were initiated. George C. Edmondson, Tampa, most loyal grand gander, was in attendance. The Wichita Blue Goose auxiliary entertained Mrs. Edmondson with a luncheon Wednesday noon, Mrs. C. O. Crow being in charge of arrangements.

C. E. Stiehl, London & Lancashire, Topeka, was elevated to most loyal gander of the Kansas Blue Goose, succeeding R. B. Covington, Hartford Fire, Topeka, and V. E. Herbert, Loyalty group, Topeka, was elected president of the Fire Prevention Assn. Mr. Herbert served as vice-president last year but previously had been secretary for about 10 years. Ivan Hemphill, Hussey general agency, is the retiring president.

### Auto Deaths Down 14% in March; 16% for Quarter

Traffic accidents in March took 2,410 lives—a drop of 14% from the same month last year, the National Safety Council reports. That brought the total for the first three months of 1947 to 6,920 as compared with 8,240 for the first quarter of 1946, a reduction of 16%.

The council said the trend does not indicate a substantial lowering of the traffic toll for the entire year of 1947 unless last year's excellent summer and fall safety record is surpassed.

### Olyniec to Home Office Post with Washington National

Washington National has appointed Stanley Olyniec secretary to the executive committee. Mr. Olyniec has been Washington National general agent at Milwaukee since 1939. For five years prior to that he was a group representative working out of the home office.

He is now president of the Accident and Health Underwriters of Milwaukee.

### Accident Prevention Course

An industrial accident prevention institute will be conducted in Los Angeles May 13-16 by the University of California department of institutes and engineering extension. The course will cover four days.

## F. J. Huelsman to Enter Agency Field at Chicago

Frank J. Huelsman has resigned as assistant manager at Chicago for Pearl and is perfecting plans to enter the agency business. He had been with Pearl at Chicago 11½ years and prior to that, commencing in 1925 he was with the Fred G. Krueger agency. He started with Fireman's Fund, served later with Osborn & Co., and then was automobile superintendent of Atlas.

H. D. DeKay, assistant to Chase M. Smith, general counsel of the Kemper

group, has resigned to enter private law practice in Atlantic, Ia.

## Short Rate Mandatory

Inland Marine Insurance Bureau members have promulgated a new rule, effective May 1 in New York, Maryland, Tennessee, Louisiana, Alabama, Florida, Connecticut and North Carolina, making it mandatory to cancel at short rate on certain items under camera, fine arts, musical instruments, personal jewelry and furs, radium, stamp and personal fur floaters, where the coverage is reduced or part of the schedule is canceled. Previously companies have had

the choice of canceling short rate or pro-rata.

## Open Waco Adjusting Firm

H. W. Robertson and G. M. Harris have opened an adjustment firm at Waco, Tex., to be known as Harris-Robertson, Inc.

Mr. Robertson has been in the local agency business and was later with Employers Casualty and Texas Employers. Following that he was with F.C.A.B. at Alexandria, La., and Tyler, Texas.

Mr. Harris started in the claim business in 1936 with General Exchange and in 1943 joined F.C.A.B. at Waco.

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1859

ATLANTIC FIRE INSURANCE CO.  
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.  
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.  
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TIME TRIED & FIRE TESTED

## Resolutions Session Spirited

(CONTINUED FROM PAGE 1)

in the person of West Shell, Cincinnati, acting chairman. It protests, "in the public interest" the abandonment of salvage corps or fire patrols by the National Board as has been recommended. The same degree of protection is not now available from any other source, according to this resolution.

### May Change Meeting Pattern

At the same session the directors voted to authorize the executive committee, in its discretion, to change the pattern of the midyear meeting. Instead of the customary sessions, there may be held several (from four to six) regional or territorial conferences at which N.A.I.A. would be well represented and then there would be one session, probably concurrently with one of the regional meetings, for the national board of state directors. The tentative plan was outlined by Henry Bailey of Connecticut for the program committee.

The question was raised about whether this would entail additional expense. It was agreed that it would be somewhat more costly but Mr. Bailey said that a series of such educational conferences would do much to promote internal public relations.

Leo Ackerman of Miami Beach, speaking for the branch office committee, urged the directors to get their individual state associations to take action on the Cincinnati resolution which said in effect that never before has it been so important to preserve the livelihood of the producer unimpaired; that the agent should not be lured into letting others do his work for him; that company expense incurred to provide agency service should be reduced; that the policy writing service for agents should be curtailed and that housing and furnishing agency service gratis should be eliminated.

This resolution, Mr. Ackerman said, has not been properly considered by enough states. So far 15 states have ratified it and four have rejected it.

### Views Patrol Question

In connection with the fire insurance patrol question Mr. Warfield said that the National Board took the position that this is a service that a community should provide for itself and in withdrawing from this activity the National Board had in mind that the community would take over the salvage work but this has not been done in cities where the fire insurance patrol has been disbanded. This, Mr. Warfield declared, is not a propitious time to withdraw from fire prevention efforts.

The original resolution on market for long haul trucks and taxicabs referred only to those two classes but James Dunlap of Atlanta wanted the matter of butane gas risks injected and Howard Allen of Burlington, Vt., asked that the question of buses and public liveries be included. Ed Seymour of Alexandria, La., said that there is going to be a meeting soon at Baton Rouge on the butane gas question.

Mr. Barnes said that the resolutions committee had been asked to present a memorial objecting to the extension of group disability coverage to trade association groups but the committee felt that it was not well enough informed to reach a conclusion, and recommended instead that a special committee be appointed to report at the Atlantic City meeting.

### Countersignature Resolution

The resolution on countersignature principles originated with the Tennessee group spearheaded by H. H. Corson of Nashville. The Tennessee agents just recently were successful in preventing passage of a bill for mandatory countersignature commission provision that was strongly pressed by Commissioner McCormack. The proposed resolution advocated freedom of con-

tract relations between resident and non-resident agents. It stressed recognition of the need for uniform laws and practices to give the greatest freedom of action in the matter of countersigning policy fees, commissions, and other considerations.

Mr. Corson, speaking on this resolution, recalled that in Denver there had been a meeting of agents from states in which there are laws providing for mandatory division of commissions. He said there was a great deal of sentiment in opposition to statutory instructions on how much should be paid for countersignature. There are only nine states in which this is governed by statute and unfortunately every state except Missouri that touches Tennessee has such a law.

### Stand on Principle

However, the Tennessee agents stood together as a matter of principle against the idea of putting an unneighborly fence around Tennessee. Unless there is some indication that this tendency has been halted in other states it will be difficult in the future to maintain the freedom of contract principle in Tennessee. Mr. Corson reiterated his contention that it is dangerous to have legislators debating the matter of commissions.

L. A. Grier of Spartanburg, S. C., expressed the belief that any action of this kind taken by N.A.I.A. would delay reform. States with mandatory division laws would resent outside intrusion. Roger Clark of Fredericksburg, Va., said that he has a mandate as the result of a poll that no change would meet with the approval of the Virginia association membership; however, he said that he desired personally to commend Tennessee for its unselfish stand. Will M. Keller of Palestine, Tex., said he believed that such a resolution would damage the N.A.I.A. cause.

Mr. Corson relieved the tension with a remark that he had grown up as a southerner and the last thing he wants to do is to offend a southerner, knowing that he does not take offense, but takes umbrage.

### Illinois for Private Contract

McCullough Winters of Quincy, Ill., said that his state is firmly committed to the right of private contract. Theo Hardy, Vicksburg, said Mississippi would resent outsiders telling that state what to do.

Robert L. Stewart, Jr., Kansas City, said the Missouri supreme court in its recent decision clearing the companies of the charge of violating the anti-trust laws; among other things, upheld the right of the Missouri commissioner to control acquisition costs. He said it would be embarrassing for an agent to try to justify paying 50% of his commission to some agent who gives no service.

President Warfield stated that the most recent action of N.A.I.A. on the score of countersignature was in its agreement with Assn. of Casualty & Surety Executives and that agreement, he said, implies the right of private contract. He contended that this puts N.A.I.A. on record.

Mr. Barnes said the resolution was not intended as dictating to any state.

R. S. Perkins of Manchester, N. H., warned against taking any action that would offend any member state.

Ed Seymour of Louisiana spoke in opposition to the resolution. The resolution was defeated by a vote of 18 to 22.

Mr. Barnes, presenting the resolution on all-industry legislation, alluded to the statement of policy at Denver in which it is declared that the directors as a matter of policy approved the work of the N.A.I.A. representatives on the all-industry committee and transmitted the all-industry bills as a pattern of regulation for the individual states but

without binding the states in any way.

The proposed resolution that was being offered by the resolutions committee, Mr. Barnes said, was originated at the instance of Carleton Fisher of Providence, although the committee was unwilling to go as far as Mr. Fisher desired. The resolution would have declared that the Denver statement of policy has been misconstrued as an endorsement of the all-industry bills and hence N.A.I.A. revises its stand merely to say that it submits the draft bills only as a general guide for the consideration of individual state associations.

It was pointed out that while the statement of policy was an expression of the National Board of State Directors, this resolution would have been the expression of N.A.I.A.

### Fisher States Views

Mr. Fisher said that he was highly dissatisfied with the Denver statement. He voiced the belief the matter should be left solely to the discretion of the states. Lobbyists, he charged, have gone behind the scenes and in states where the state association of insurance agents is opposing the bills, have declared that the state unit is out of step with N.A.I.A.

In substitution of the resolutions committee memorial, he proposed a resolution in which N.A.I.A. would declare that it expresses no approval of the bills and any prior approval expressed or implied is rescinded so as not to embarrass any constituent state association.

Mr. Barnes said the committee did not feel that it had the right to recommend the rescinding of a declaration of policy. That, he said, the committee felt would have been too presumptuous, but it did recognize a need for clarification.

At this point, Mr. Warfield declared that the Fisher motion was out of order as completely changing the intent of the matter at hand. Mr. Fisher then called for an appeal from that ruling, but on that roll call Mr. Warfield was sustained by a vote of 33 to 8.

### Stott Shows Fire

John C. Stott of Norwich, N. Y., one of the N.A.I.A. representatives on the all-industry committee, spoke with some passion urging the directors not to be "vacillating." The Denver statement, he declared, said that the bills were only a pattern. The legislative season is almost over and he contended that N.A.I.A. would lose face badly by tampering with its previous statement.

J. F. VanVechten of Akron said he could not see how anyone could misinterpret the three words "as a pattern." Incidentally, he said that the last word he had received from Ohio was that the all-industry fire bill would be enacted, but that the casualty bill would not be.

The resolution was defeated 29 to 11.

At the same time the directors had been meeting, the three local board conferences were under way, and the leaders of those conferences submitted to the directors a message stating that the conferees desired N.A.I.A. to advise all local boards to ignore requests from

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company organizations for copies of their constitution and by-laws, and to make no change in their constitution and by-laws without first consulting N.A.I.A. counsel, whereupon the directors authorized such notification be sent out.

A resolution was adopted on the death of George D. Markham of W. H. Markham & Co., St. Louis, who was one of the group that attended the original N.A.I.A. meeting and who was N.A.I.A. president in 1900-01.

## DRESS REHEARSAL

The convention, as a whole, was highly successful, local arrangements were excellent and the association gave its members a full dress rehearsal of its new, expanded, effective organizational setup. The fact that the organization is so obviously on the march undoubtedly was largely responsible for the favorable decision to raise from the states, on a voluntary basis, some \$124,000 beyond what N.A.I.A. will get in the normal course from dues allocation. In the discussion of this vital question, the outlook at first was gloomy, because the objectors and those who stated that their states could not be expected to come up to the higher financial mark, were the first to speak, but the tide turned and with a burst of enthusiasm when the evangelistic and optimistic spokesmen had their say.

Incidentally, the story on the first page of THE NATIONAL UNDERWRITER last week, reporting the N.A.I.A. proceedings was badly garbled. Several lines were dropped and reference to this financing question was run into a sentence relating to the protest against Insurance Executives Assn. seeking to induce local boards to amend their constitution and by-laws to remove restrictive features, even though the companies are not members of such boards.

## Meeting Too Long

Everyone was agreed that the Oklahoma City meeting was too long. Many were there for a solid week and there were intervals when there was little in the way of activity. All agreed it would have been far better had the meeting been brought to a close Thursday noon instead of Friday noon. The convention week was lengthened so as to permit the National Board of State Directors to be in session Monday in advance of any other convention activities, due to the fact that there had been criticism of the previous system of sandwiching in directors meeting while the convention was in full swing.

The Oklahoma visitors were disappointed and the Oklahoma hosts were even more disappointed that rain spoiled the plans for the buffalo barbecue at Lincoln Park. It was necessary to transfer this entertainment to the Coliseum at the stockyards, and while this was an enjoyable occasion, everyone had been looking forward to a spring evening in the open in the splendid setting of the park. Six buffalo and six elk had been prepared under the direction of the chief of the department of animal husbandry at Oklahoma A. & M. College, and this was enough to feed 1,500, but there were only about 600 at the Coliseum.

## Aid Woodward Relief

Late in the week the idea was originated of having N.A.I.A. contribute to the relief of Woodward, Okla., that had just recently been devastated by the tornado. This met with an enthusiastic reception and more than \$300 was collected at the final session Friday morning, even though there were only about 125 in the room. It was regretted that the plan had not been thought of earlier while there were a large number on hand.

The plan of holding activity conferences which were in the nature of large scale committee meetings was very popular. This resulted in bringing together in an intimate way fairly small groups interested in particular topics.

One morning seven such meetings were under way at the same hour and

on another occasion there were six such gatherings. At many of the meetings there were, in addition to the committee chairmen, guest speakers.

Thursday afternoon turned out to be a congested time. In addition to the three local board conferences, the National Board of State Directors held forth throughout the entire afternoon in an unscheduled session to consider the resolutions.

The big feature of the closing session Friday morning was the address of Lewis F. Gordon, vice-president of Citizens & Southern National Bank of Atlanta. This was an inspirational and philosophic talk by a dynamic speaker. He said that the primary need for any business is to understand and be understood. The greater the complexity of a business, the greater the need for its practitioners to be qualified to translate it, so that the public understands and appreciates the need for and the value of buying the service.

He counseled "selling the thing beyond," in other words, selling peace and protection rather than policies and premiums.

Mr. Gordon drew hearty applause in telling how his bank has promoted the bank and agent automobile insurance plan. He said that the bank has engaged in "capitalized selfishness" in this

connection. He said he wanted the insurance men to help sell automobile loans for the bank and hence he set out to build up the agents in the estimation of the public and to arouse public interest in them. This comprised manifesting "an interest in the other fellow and the things that concern him, so that he will have a parallel interest in you."

Insurance people he said, have an opportunity to appeal to the inherent selfishness of others by studying them, their business, their risk conditions, interpret them and show how to protect against them.

Many agents are doing little or nothing on the bank and agent plan on the theory that in the time required to sell an automobile policy they can sell a much bigger contract of some other kind. Taking that attitude, they disregard the social obligations of their business. It is the program that touches the mass group from which insurance and banking derive their franchises. There was a time when banking was a class business, concerned primarily with the large depositor and large borrower. Many bankers regarded the small depositor and borrower as "nuisance business." Today the banks are engrossed as never before in mass service and in doing so, they are bringing new millions into close contact by creating better un-

derstanding and greater appreciation of the banking system. People feel more kindly toward any industry which is doing something of benefit for them.

## Report on Activities

Also at the closing session brief reports on association activities were given by a number of committee leaders. Julius Levi of Houston, speaking on conservation activities, said that fire and accident prevention courses are to be introduced into the standard N.A.I.A. educational courses.

Roy Duffus, Rochester, speaking for the technical committees, among other things, expressed the hope that the designation of extended coverage No. 4 will be changed to broad form fire coverage. He spoke with enthusiasm of the new system of conferences with National Bureau of Casualty & Surety Underwriters.

Dave McKown of Oklahoma City spoke on agency licenses. He said that the development of qualification and licensing laws is a continuing program. In reaching the objective, he remarked, there are two possible courses and each has its advocates. One is to strike out immediately for the maximum and the other is to approach the objective gradually by seeking improvements from year to year. Walter M. Sheldon, Chi-

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cago, for the metropolitan agents committee, said his group is ready to aid in the future financing program. He again suggested that the employment of an executive vice-president at headquarters may be desirable to provide continuity and to relieve some of the burdens of the president.

#### Public Relations

H. C. Arnall, Newnan, Ga., covered public relations and legislative topics and he presented Oscar West, head of the Washington office, who gave a vivid description of work that was done in an effort to get the navy department to rescind its plan whereunder it places all of the insurance for its land based ships service stores with a single broker. The appearance in Washington of the N.A.I.A. committee, and especially the testimony of Hunter Brown of Pensacola, Fla., former N.A.I.A. president, was most effective and made a highly favorable impression on legislators, also on retailers, wholesalers and jobbers that were interested in the same question.

This was the first big test to which Mr. West had been put since assuming his new office, and while Mr. West said little of the part he played in this matter, the group was obviously impressed with the way he had gone into action, energetically and skillfully. Mr. West presented his new assistant, Maurice Herndon.

L. P. McCord of Jacksonville, spoke for the educational committee, Richard E. Stephens of Grand Island, Neb., for the farm and small town agents, James C. Dunlap, Atlanta, on the bank and agent auto plan.

#### SURVEY OF COSTS

Stuart Brown, the new N.A.I.A. actuary, was presented at the metropolitan agents committee meeting by Walter Sheldon, W. A. Alexander, Chicago, chairman. Mr. Brown explained the new casualty experience rating plans now being filed by National Bureau of Casualty & Surety Underwriters to conform to the new rating laws. First filed in New Jersey in 1944, they apply to auto liability, burglary, glass and other liability.

The new plans have already been filed in states where the bureau is recognized as authorized agent for the members and subscribing companies. These special rating plans provide a means of writing business to give credit for peculiarities in experience for individual insured.

A survey of costs of doing business will be made immediately, Mr. Brown revealed. Probably to be compiled by states, it will analyze average agency costs per policy written, to uncover types and sizes of policies on which costs of handling are excessive. By special request of the committee, James R. Gregory, managing editor of "Rough Notes" and author of "What It Costs to Run an Insurance Agency," outlined some of the difficulties involved in the preparation of the survey.

The bank and agent auto plan is a

two-way proposition in which the local agent must produce finance business for the banks if he expects the banks to help produce insurance business for him, it was emphasized at the association activity conference on that project, at which John G. Mayer, assistant secretary of N.A.I.A., presided. Agents from various points brought optimistic reports of the success of the cooperation between banks and other financing concerns on the one hand and the local agents on the other in spite of a "sellers' market" and in spite of the abnormally large number of cash sales of automobiles.

Several agents said the plan is not automatic but that it would work if the agents worked it and that the accumulative effect of the plan is now being felt and that when a buyers' market comes the agents will see a large increase of automobile insurance on their books. Agents were warned against depending on advertising alone to "sell" their assured but to continue personal, telephone and direct mail contacts. Several agents testified that they now had more automobile insurance on their books than ever before and that the bank and agent plan had already been definitely proven to be fundamentally sound.

Many local boards are merely waiting for a buyers' market to start an active, aggressive campaign.

#### Salvage Corps Question

Since the organized salvage corps have proved themselves so valuable and are such a vital part of fire prevention and so often materially reduce fire losses the natural question as to why the National Board has ordered their discontinuance was asked by those attending the fire prevention conference. West Shell, Cincinnati, was chairman of the conference.

Local and regional fire prevention groups were urged to integrate fire prevention work with the Red Cross, 4H clubs, Boy Scouts, Chambers of Commerce and with other organizations to make the public fire-prevention conscious regardless of who gets the credit and were also asked to distribute the Red Cross warnings to hotel guests through the local hotels in each community.

The fire prevention committee through the N.A.I.A. official family will offer to cooperate with the National Hotel Assn. in all of the fire prevention activities and problems of hotels.

The matter of publicizing the fire department telephone number on telephone dials was referred to the representatives of the agents who will attend the President's Conference on Fire Prevention.

#### Local Board Manual

The committee on local board manual revision, with Alfonso Johnson, Dallas, chairman, has completed its work, including a nation-wide survey, and the manuscript is now in the hands of the executive committee for approval and publication.

The committee has defined a local board as "a group of local insurance

agencies, banded together to support right principles and oppose bad practices in insurance underwriting; to promote harmony among its members; to maintain ethical practices; to adopt rules and regulations for the best interests of the insurance business (and to provide for the enforcement thereof); to promote public good will for the agency system through a continuing program of community service, i. e., fire and accident prevention, and a working interest in civic endeavors; to advance the standards of the agency system through educational forums and courses of study; to cooperate with the state insurance department in the enforcement of such rules and regulations as the department may promulgate, and to render its best service to the assured."

The casualty committee meeting was conducted by Roy Duffus, Rochester. Sitting on the platform throughout was Albert E. Spottke, secretary National Bureau of Casualty & Surety Underwriters.

Mr. Duffus gave the results of a survey of agent opinion.

#### Speedier Rate Notices

It was announced that rate revision sheets would be mailed to agents by National Bureau first class mail and would be supplemented with comprehensive explanations of why the change had been effected.

Conferences between the casualty committee and National Automobile Underwriters Assn. will be held.

The term "standard limits" was criticized and Mr. Duffus said this terminology would be changed to "minimum limits" or "basic limits."

Jeeps are now being rated as private passenger cars, he announced.

In burglary insurance sentiment favored removing the restriction of \$100 on tobacco products. Mr. Spottke said that both tobacco and liquors had to be limited because they were so easily disposable at good prices.

It was agreed that mysterious disappearance coverage should be retained in the residence theft form.

The automobile liability policy is in the process of being revised.

#### \$500 Medical Recommended

Agents were counseled to sell nothing less than \$500 medical payments insurance.

Mr. Spottke said that a term auto policy will be issued as soon as the adequacy of rates has been established in the postwar era.

On long haul truck risks Mr. Spottke said the thin market is primarily due to the fact too few companies and too few agents are qualified to handle them. A pool would solve nothing, he said.

General liability should all be written on an occurrence basis and when rates are next adjusted they should be adjusted to include that type coverage.

#### P. J. Leen Is Featured

Agents should take advantage of the opportunities offered in inland marine coverages according to P. J. Leen, assistant western manager of Fireman's Fund, who addressed the inland marine conference.

Mr. Leen said many exposures are unprotected, and called upon agents to "become better acquainted" with their assureds' operations in order to bring such unprotected risks to the fore. He urged agents to "keep asking questions" both of their assured and of inland marine underwriters.

Theodore W. Kelley, Richmond, inland marine committee chairman, said his group plans to make a study of commission scales, held to be too low, to promote simplification of the jeweler's block contract, to seek changes in the personal property floater, and to study the effect of state rate regulation on the inland marine market.

Mrs. Henrietta Edwards, private secretary to Howard V. Wheeler, president of Wheeler, Kelly, Hagny, Wichita, for 33 years, was honored at a company party on her retirement. Jointly honored was Mrs. Tillie Surtees, receptionist for 22 years, who is also retiring.

#### Would Let Treasurer Set Bonds for State Help

LANSING—A bill has been filed in the state senate intended to reduce the number of official bonds provided by state officials and employees.

It would require that the state treasurer make, within 60 days, a comprehensive survey of all existing bonds, virtually all of them specifically required by statute. The survey would provide information as to the number, type, amount and terms of the bonds. With that data at hand, the treasurer would be empowered to determine how many should be continued in force and, from time to time, to make new determinations. His decisions as to bonding of officers or employees would supersede the provisions of any existing statute.

A further provision in the bill is that the terms of all future state bonds shall be the faithful discharge of duties by the bonded principal and a true accounting of moneys or property coming into his hands in his official capacity.

#### Downey Approves New Cal. Auto Assigned Risk Plan

LOS ANGELES—Commissioner Downey has approved an automobile assigned risk plan under a statute enacted by the present session of the California legislature, and it now is in the hands of the various automobile writing companies for signature. It replaces the voluntary assigned risk plan that first became effective in 1941 during the term of Commissioner Caminetti.

#### Mangan Joins Loyalty Group at Springfield, Ill.

George E. Mangan has been named special agent at Springfield, Ill., for Loyalty group to assist State Agent Lloyd J. Eppler. Mr. Mangan will take over some of the territory formerly supervised by Donald B. Davidson, resigned.

Mr. Mangan has been for several years manager at Springfield for Western Adjustment. He is a graduate of Notre Dame.

#### Sullivan on Foreign Trip

Walter T. Sullivan, president of American International Marine Agency of San Francisco and executive of American International Underwriters, has started on an extended foreign trip to develop worldwide marine business. He is now at New York headquarters and will sail for England May 8. After several weeks in London he will visit France, Switzerland, the Netherlands, and Czechoslovakia. He plans to be back in San Francisco July 1.

#### Opens Greenville Unit

The Johnson & Johnson general agency of Charleston, S. C., has opened a service office in the Franklin National Life building, Greenville, under the supervision of Wm. A. Stringfellow. It is equipped to provide all lines.

#### Eastern Ia. Puddle to Elect

The Eastern Iowa puddle of the Blue Goose will hold its annual meeting at Cedar Rapids May 6.

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## Expect Much from Truman Parley

(CONTINUED FROM PAGE 1)

ing and equipment of the fire departments as well as rural and forest fire fighting facilities.

"We have laid a solid ground work for the Conference by appointing committees of experts to study specific phases of the problem," General Fleming said, "and based on the gratifying results which followed the President's Conference on Highway Safety a year ago, we are confident that we will succeed in drafting a program that will assist in overcoming the fire menace."

### Fleming and Bielaski Speak

The pre-national fire prevention conference National Press Club luncheon, addressed by Maj. Gen. Fleming and A. Bruce Bielaski, executive director of the conference, was attended by a number of men in the insurance industry or connected with fire protection. They included Lewis A. Vincent, National Board, assistant executive director of the conference; John B. West, factory mutuals; W. J. Chattin, New York Reciprocal Exchanges; Horatio Bond, National Fire Protection Assn.; George Traver, National Board; Capt. Harold K. Hughes, chief fire protection division Navy department bureau of yards and docks; Commander Orville J. Emory, chief fire protection section, Navy Department chief of naval operations; A. L. Kirkpatrick and H. E. Hilton, manager and assistant manager, U. S. Chamber of Commerce insurance department; King Young, of A.D.T.; Fire Chief Clement C. Murphy, Washington, D. C.

### Message of Fleming

Gen. Fleming in his press club talk said the President does not believe in the "inevitability of these cremations. He believes that something can be done about them, and in that belief he has called a conference on fire prevention."

Gen. Fleming voiced the hope that building codes will come in for serious re-examination. Most of the codes are at least a quarter of a century old and few have been revised to take account of the newer techniques and materials. While the Winecoff Hotel conformed to the building code at the time it was erected, it didn't meet even the minimum requirements of safety for a building of that type today. And the Winecoff Hotel was not an isolated instance. In every city there are hotels, hospitals, boarding houses, apartment buildings, night clubs and even theaters that invite still other Winecoff disasters.

### Staggering Problem

"We face a staggering national problem in attempting to get these older buildings made safe, as has been illustrated here in Washington where many property owners protest that they can't afford to make the necessary alterations, or that the needed materials cannot now be obtained. Nevertheless, some means must be found for doing the job, and it is to be hoped that helpful suggestions for financing the necessary changes may come out of the conference."

"What we do hope to accomplish is the drafting of a program which, if generally adopted, will revitalize and intensify our efforts for fire prevention in every town and city. I doubt if we shall be able to invent any new techniques, since we already know perfectly well how to prevent most fires and we know how to extinguish them when they once start; what we principally need is better education in the use of those tested techniques, better engineering of buildings, better laws and better law enforcement. Education, engineering and enforcement, I suspect, will be found to be the keys to saving lives from fire, just as we found them to be the prime requisites in the matter of highway safety."

Mr. Bielaski, who is assistant general manager of National Board, said in the accomplishment of the purpose of stopping fires to save lives, the first objec-

tive of the conference is that the governors, mayors, and federal officials, to the extent that federal structures are involved, universally shall accept direct responsibility for fire safety.

Too long, he said, fire prevention has been the topic for special attention during one week in October, and possibly for a few days during clean-up time in the spring. Too long, in too many places has the matter been treated as one primarily for the attention of chambers of commerce, insurance organizations, service clubs and other private associations. It is time it was taken out of the amateur class and put in the professional. It must be recognized as one of the most important obligations of the states and municipalities in their efforts to provide fire protection. It must be a day by day, year around activity.

### Fire Department Licked

It must be extended beyond the fire department. In many a serious fire, the fire department is licked before it leaves the firehouse because of faulty construction and a disregard of safety regulations over which it has had no control. Safety principles must be applied to existing buildings as well as to new construction.

Private organizations which over the years have proposed building codes and established many standards of fire safety must devote less time to their perfection and more to aiding in their adoption. Pride of authorship and of organization must yield to devotion to the cause of fire safety. Less time should be devoted to the support of differing viewpoints on relatively minor matters and more to the establishment of recognized principles of good fire prevention engineering recognized by all as sound.

## Colo. Midyear Draws Record Crowd for One-Day Session

(CONTINUED FROM PAGE 1)

private construction work which will present a real potential market for surety bonds, D. A. Stone, vice-president Rex B. West agency, Denver, said in opening a panel on the subject. He said it was estimated that only 10% of private building and engineering contracts are bonded and that the potential premium income from that source is between \$10 and \$15 million a year.

He described new and improved performance bond forms written for the sole benefit of the owner whereby the surety agrees to indemnify a default by the contractor against, among other things, defective work and materials and the new labor and material payment bond, which guarantees the owner that the subcontractors, laborers and material men will be paid promptly.

A lenders' dual obligee rider may be added to the contract which protects the lender by assuring performance on the contract. This facilitates financing of the project, he pointed out.

Mr. Stone said that the sale of these new contracts bond forms offered a challenge to the agent because there was a real selling job to be done.

### Self Inspection Blank

In response to a demand for greater fire safety in hotels and apartment houses, the National Board has issued a self inspection form. It furnishes an expert and practical procedure for the detection of hazards in hotels and enables management, fire departments, and building inspectors to determine corrective measures.

The National Board recommends that an inspection be made at least once each month by the chief engineer or other responsible member of the operating staff, if possible in company with the officer in charge of the local fire prevention bureau of the fire department.

## Mutual Underwriters to Meet in Chicago May 13-15

More than 100 inland marine and aviation underwriters representing bureau companies will meet May 13-15 at the Hotel Continental, Chicago, for an underwriting conference of the Transportation Insurance Rating Bureau.

Improvement of loss ratios will be the theme of the sessions, which will consist largely of discussion periods. Talks on aviation insurance, principles of mutual underwriting, and inland marine loss adjustments will be confined to the luncheon meetings.

Principal inland marine problem up for discussion will be the rising loss ratio on "all risks" policies, with reference to devising methods to uncover in advance "loss-conscious" individuals who are believed to be responsible for the large number of claims under broad form policies.

An attempt to find reasons for unsatisfactory experience on many aircraft service operators and commercial risks will be made by aviation underwriters.

**Insurance Women of Denver** elected these officers: President, Bertha O'Connell; vice-president, Irene Head; treasurer, Josephine Quist; corresponding secretary, Benita Clarke, and recording secretary, Marjorie Randall.

## Set Up Arbitration Board at Rochester

ROCHESTER—An arbitration board of representatives of 66 stock casualty and 23 mutual casualty companies has been set up here. This is a project of Rochester Claims Managers Assn. of which C. K. Carlson, Travelers, is president.

Heading the arbitration committee of three is C. T. Keegan, claims adjuster. The committee has powers to adjudicate differences between insurers up to \$1,000. The arbitration committee decision is binding.

### Kenealy Now Civilian

WASHINGTON—Lieut. Edward F. Kenealy of the Navy Department insurance division's staff is on his service terminal leave, but will remain with the division in civilian capacity, temporarily.

Meanwhile, division and department officials are "looking at" their program of centralized purchase of insurance for ship's service stores, which has been protested by agents. Officials indicate, however, there is no present intention to change the system, but they will consider any proposal from agents or the congressional committee that has been investigating the problem.

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## PLATE GLASS INSURANCE

Who's going to take care of all that Plate Glass Insurance that is needed?

Remember way back when Plate Glass Insurance used to mean mostly plate glass? Back in the days before structural glass became so widely used in buildings, writing "plate glass business" seemed one of the lesser lines for an agent's consideration. Each year has brought more kinds of commercially used glass to business buildings. In the pattern of things still to come, structural glass will be even more conspicuous, as any architect can tell you.

It's hard to believe the things inventors are now doing with such glass. "People who live in glass houses" are becoming less rare all the time, as are those who work in glass buildings. Keeping abreast of this trend is the large assortment of glass utility fixtures, decorative displays, and lighting effects. Gone with the wind are the days when a merchant's glass investment meant a couple of windows on the street floor.

Before the new building leaves its blueprints is the best time to solicit the owner's Plate Glass business.



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## Balk at Mich. Fair Trade Practices Act; Three All-Industry Bills Pass Senate

LANSING—The Michigan senate, after passing the three all-industry bills, balked at the administration-endorsed fair trade practices measure (Senate 163) and sent it back to the insurance committee, apparently with a view to killing it there.

Insurance spokesmen had almost uniformly condemned the bill as "unnecessary" at a hearing. Speakers included: Edward Rockwell, Detroit Automobile Inter-Insurance Exchange; John Carton, Wolverine; J. T. Hammond, Benton Harbor, representing Assn. of Casualty & Surety Executives; William S. Searl, Auto-Owners; Norman Reynolds, counsel for Michigan State Life Underwriters Assn.; Waldo O. Hildebrand, manager Michigan Assn. of Insurance Agents.

Several speakers emphasized that the bill was not approved by the all-industry committee but only by the commissioners' association. Others cited points in which the bill would duplicate provisions of the present code. Hammond said the only "extra provisions" were those empowering the commissioner with policing authority over so-called "secret sins." He said since no company could know the nature of these alleged offenses, he felt such authority should not be extended, but the commissioner would have ample power to conduct inquiries and act in accordance with his findings.

### TO DEBATE FOUR RATE REGULATORY BILLS IN D. C.

WASHINGTON—Whatever the proponents of other bills to regulate casualty rates in District of Columbia may do at the May 8 meeting of Washington Board of Trade insurance committee, Superintendent Jordan says the D. C. insurance department does not expect to be represented there. Proponents of the four pending bills dealing with rate regulation are being invited to present their cases at that meeting. Mr. Jordan attended last week's meeting of the committee, which postponed action until another meeting.

While D. C. representatives have submitted suggestions to the budget bureau to amend HR 1717, the Jordan bill, with a view to overcoming objections of the Department of Justice, it has been difficult to obtain details, owing to an intra-governmental rule against officials releasing such matters until after they are cleared through that bureau.

However, it is understood that amend-

ments suggested relate to sections 4 and 17 of HR 1717. With respect to the latter, it is understood Jordan suggested that this section, which relates to the anti-trust law moratorium for insurance, either be deleted or narrowed so as to provide that the Sherman, Clayton and Robinson-Patman anti-trust laws shall not apply to the industry in the District of Columbia to the extent that it would be regulated under the law proposed in HR 1717 or by other existing legislation, including the D. C. fire and casualty law.

Jordan has pointed out that his recommendations are not necessarily those of top flight officials of the D. C. government. While details of the latter's views are not available, it is understood that the corporation counsel's office and the District commissioners have submitted to the budget bureau suggestions designed to make section 17 conform with provisions of public law 15.

It was to that section of HR 1717 that the Department of Justice objected particularly, it is understood, in a report to the budget bureau on the bill. It is reported that amendments suggested by the D. C. government to section 17 meet Justice's objections, which, however, have not been released officially.

With reference to section 4, the Department of Justice is reported to have expressed doubt as to the adequacy of its provisions. The section authorizes the superintendent to require filings and provides he "may" disapprove them, but upon application of a company or rating organization shall reconsider, give a hearing, and hold the filing in abeyance meanwhile. There are other provisions in the section. The Department of Justice attitude reported is whether the language is sufficiently strong to provide for the kind of regulation it wants.

To meet this doubt, it is understood, Mr. Jordan has proposed to provide for filing, with certain exceptions. This substitution, however, it is said, would depend upon whether the Department of Justice would be satisfied with the claim of D. C. officials that provisions of the bill are adequate to meet the needs of the situation.

Proposals for joint Senate-House committee hearings on casualty rate regulatory legislation have been dropped, for the present at least. The House district subcommittee on insurance, headed by Rep. Simpson, Illinois, will begin hearings on May 7 on four pending bills—all-industry committee, North America, Jordan and California.

The committee clerk stated out-of-town persons will be heard first, listing prospective witnesses as including W. W. Clement, Risk Research Institute; Herbert Stellwagen, Robert Ely and Joseph A. Crawford, all of North America; A. V. Gruhn, American Mutual Alliance.

Hearings will continue from day to day until concluded. They will coincide, approximately, with a meeting of the Washington Board of Trade insurance committee.

The Senate banking committee set May 1 for hearing on the bill which mutual interests said, would bar the government from taking mutual companies' dividends into account in considering bids for insuring housing projects. E. L. Milkwick, chief federal public housing authority, is scheduled to testify against the bill. He says FPMA has considered and accepted either stock or mutual bids within reasonable range of the lowest cost available.

### AGENTS' BILL IN OHIO

COLUMBUS—The Ohio house has passed the McClure bill, which is the casualty rating measure supported by the agents.

The senate has passed a bill establishing standards for insurance agents and solicitors.

A substitute has been offered for the

agents' qualification bill in the house and further hearing is being held this week. Among other things, the substitute increases the amount of controlled business from 10 to 50% and makes issuance of the license mandatory instead of optional, if the applicant meets the statutory qualifications.

### Conn. Agents Say New Rating Law Is Losing Them Big "Comp" Lines

Connecticut Assn. of Insurance Agents advises members that difficulty is being encountered with the larger, direct writing mutuals in the larger compensation lines under the new rating law. The mutuals have taken the compensation as a key line and with it the collateral liability lines. The present rating law prevents the flexibility of competition formerly had in writing compensation insurance.

To alleviate this condition somewhat a plan is now before the department to allow compensation policies to be renewed between March 1, 1947, and Feb. 29, 1948, at a rate halfway between the former cut rate and the manual rate. Between March 1, 1948, and Feb. 28, 1949, these policies may be renewed at rate three-quarters between the former cut rate and the manual rate. After March 1, 1949, all policies are to be written on manual rates.

A committee of the Connecticut agents recently met with a sub-committee of the national compensation council at Hartford. The company committee reported that there are several plans under consideration to help agents. Also under the new casualty rating bill before the legislature, compensation competition will be more flexible.

### Mallalieu Takes Texas City as Radio Text

To prevent such disasters as the Texas City fires and explosions, W. E. Mallalieu, general manager of the National Board, in a nation-wide broadcast Sunday called on all sections of industry for better compliance with safety standards.

"The National Board will do everything in its power to meet the challenge of fire in this age of increasingly hazardous chemical compounds," he said. "For this we are speeding up our research into industry's fire problems."

"But we call on all industry, management and workers alike, for wholehearted compliance with all safety standards that are or may be promulgated. It is only through the cooperation of each individual that we can save human life and prevent such disasters as at Texas City."

Mr. Mallalieu expressed hope that President Truman's Conference on Fire Prevention will result in a "practical working program for a concerted nation-wide drive against destruction of life and property."

One result, he said, would be increasing emphasis on the responsibility of state, county and municipal officials for fire safety.

### Shape Fla. Program

Several program features have already been arranged for the convention of Florida Assn. of Insurance Agents at the Sorena hotel, St. Petersburg, June 10-12.

Don Tullis, Finley Tucker & Brother, Jacksonville, will be discussion leader on "Personal Property Floater and Personal Effects Policies," with Briggs Branning, Miami; B. D. Cole, West Palm Beach, and A. W. Roberts, general agent Phoenix of Hartford, Orlando, as panel members.

During this same session comprehensive, general and personal liability and automobile, including fleets will be discussed by Don Bolton, Jacksonville, as leader, assisted by Mrs. Margaret Seekin, St. Petersburg; O. Mitchell Stallings, Tampa, and Harold Sweet, Miami.

### New Amendment of Crosser Bill Has Insurance Backing

WASHINGTON—Rep. Howell and Senator Hawkes have introduced a bill to amend the railroad unemployment insurance act, which the former says has the support of insurance and railroad interests. He says further it is supposed to be taken up by the House interstate and foreign commerce committee following aviation legislation.

The new bill contains a sliding scale amendment pertaining to contributions of employers and employees to the railroad unemployment insurance account fund administered by the railroad retirement board. Howell says the fund contains \$900 million and is increasing by \$150 million a year, which is unnecessary. Rates of contribution to this fund provided in the bill range from .50% if the fund contains \$350 million or more to 3% if the fund contains less than \$150 million.

The new bill also eliminates provisions concerning maternity and sickness insurance. Mr. Howell's other bill, HR 2310, backed by Russell Matthias and certain other insurance interests, would limit sickness and accident recoveries to occupational hazards.

### Honor Ohio Field Men who Have Recently Left State

The Ohio Blue Goose, the two field clubs, Fire Prevention Assn. of Ohio and Ohio Stock Fire Insurance Speakers Club will give a dinner at Columbus May 5, honoring field men who have left the state recently. Toastmaster will be Frank J. Weber, Loyalty group, Cleveland, retiring most loyal gatherer of the Ohio pond. Before the dinner, the pond will hold its annual meeting and initiation of candidates. The field clubs will meet the following day.

The dinner will honor Roy J. Harney, Cleveland, American, transferred to the home office; Charles D. Sokol, Cleveland, Aetna, transferred to the western department; David Zeiser, Cleveland, Great American, transferred to the western department; John Magenheimer, Cleveland, North British, transferred to New York; Wilson Lively, Columbus, Agricultural, transferred to the home office; Thomas J. Ocacek, Columbus, Underwriters Service, made assistant manager in Chicago; E. F. Gallagher, Columbus, formerly with the Ohio Inspection Bureau, now with Planet at Detroit.

### U-Drive-It Bill Advances

BOSTON—Legislation to require owners of drive-it-yourself automobiles to carry property damage insurance on their vehicles has been approved by the Massachusetts house by a vote of 66 to 36 and now goes to the senate, where it is expected to pass. It was advanced that out-of-state drivers have come into Massachusetts, hired U-Drive-It cars and been involved in accidents whose victims have been unable to collect damages.

The senate voted to repeal a law which has been in effect only a few months by which maximum damages allowed under the "wrongful death" law had been raised from \$5,000/\$10,000 to \$10,000/\$15,000. It was argued the change had increased costs to motorists 28% and a senator argued it ultimately would jump compulsory automobile insurance rates 100%. If the repeal prevails in the house the original \$5/\$10,000 limitation will be restored.

### N. Y. SUBURBAN HOME FOR SALE

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## Farm Insurers Deluged with Wind Losses

Companies writing farm business agree that there has never been such a deluge of losses as during March and April. There was one day in March when the wind did terrific damage in many rural sections. However, the big loss producer was April 5. That wind-storm caused thousands of losses. Most of the claims are comparatively small. Companies have been swamped in endeavoring to take care of the losses. They have had their own field men attend to the larger claims. They have turned over a large number of losses to the bureaus or independent adjusters. Where the loss was \$50 or less, often the local agent was asked to do the adjusting.

Loss records are piled mountain high on desks and tables in company offices that are still going through the mill. The companies have been unable to make any great progress because they did not have the help. Employees have been asked to work overtime at night and other odd times. One large company with its farm department at Chicago which closes its office Saturdays, asked 25 employees from different units to work all day last Saturday on losses.

This April 5 storm seemed to have a wide sweep. Many claims came from Kentucky, Tennessee, Virginia and other southern points. Loss drafts are being sent out by the hundreds every day. This great flood of losses has forced companies to set aside much of their regular work in farm departments in order to take care of claims. Some losses were quite heavy because buildings were greatly damaged.

It is found that almost all farmers now are taking extended coverage. The actual handling of loss records requires much time, especially where policies are written on the installment plan.

## First Wis. FHA Title 608 Project Is Closed

Continental Casualty has executed a 10% bond on the first construction project closed in Wisconsin by FHA under title 608.

The project is known as Estabrook Homes in the Shorewood section of Milwaukee. Frances J. Schroedel is the designer and builder. The contract is \$1,776,470 and the bond was in the amount of \$177,000. A participating mortgage of \$1,890,000 is shared by Marshall & Ilsley Bank and Northwestern Mutual Life. Continental also executed a 100% bond of \$44,000 covering off-site improvements.

## Mortgage Bill Passes

LANSING—A bill is awaiting Gov. Sigler's signature to prohibit coercive acts by finance companies in the attempted control of insurance on installment contracts or other forms of credit. A "reasonable right to approve or disapprove" the borrower's choice of insurance facilities is permitted.

Another bill before the governor permits the commissioner to "extend" rather than "renew" licenses after the annual payment of fee and in the absence of complicating factors. It also requires that countersignatures of policies written by non-resident agents shall be by local rather than special agents.

## Agency Management Course

A course will be held under the joint auspices of the educational committee of Connecticut Assn. of Insurance Agents and University of Connecticut at Storrs, Aug. 11-15. It will be on agency management and designed for agents of three or more years' experience, having one or more employees. Courses will include accounting, insurance law, surveys and other subjects vital to an efficient agency today. The

National association education division will collaborate.

## Upholds Responsibility Act

An attack on the Michigan automobile financial responsibility act of 1943 was terminated unsuccessfully in a decision of the Michigan supreme court in the matter of the petition of Larr vs. Dignan, Secretary of State. Leo Larr brought the action. His car, driven by his son, was involved in an accident in which two persons were injured. He had no liability insurance and he refused to furnish required security or affidavit of settlement.

The secretary of state notified him that his license and registration certificates were suspended, and demanded surrender of his operators license, certificate of registration and certificate of title.

The attorney general conceded that under the act the secretary of state lacks authority to demand a surrender of title certificate and the court said it assumes this will be returned to Larr.

Larr argued that the act applies only in the event of previous final determination of legal liability and liquidation of damages.

The court, however, found the provisions are mandatory and the secretary of state has no discretion.

## Hardware Mutual Correction

THE NATIONAL UNDERWRITER regrets that in its Automobile & Aviation Insurance Number in listing the 10 leading automobile insurers among mutual companies, an injustice was done to Hardware Mutual Casualty. Its correct 1946 premiums were \$11,491,302 instead of the figure shown. Its percentage of increase in automobile writings last year was thus 39.7%.

The correct figures for Hardware Mutual Casualty were shown in the succeeding table.

## T. B. Dodd to Loyalty

Thomas B. Dodd has joined the Loyalty group as special agent for Colorado and Wyoming with headquarters at Denver. Recently he has been connected with American Surety at Denver and his earlier experience included service as an adjuster with Whitney & Miller, Chicago, and in the underwriting department of Maryland Casualty at Chicago.

## Slate Jordan in Conn.

Ernest F. Jordan has been nominated for president of Connecticut Field Club, the election to be held May 5. J. L. Moffitt is named for vice-president. Fred A. Miller, treasurer and K. J. Heindel, secretary. The meeting will be held at Ludlow, Mass., with the Springfield group as hosts.

## Warns on Free Binders

Commission Larson of Florida has issued a bulletin to call a halt on the issuance of binders, especially upon builders risks, for which no premium is collected or charged. Failure to charge the insured during the period in which the binder is effective will be regarded by this department as a rebate, and/or an act of discrimination, and/or the offering of an inducement to buy insurance that is not contained in the contract, Mr. Larson states.

## I.M.U.A. Annual Parley

The annual meeting of Inland Marine Underwriters Assn. and Inland Marine Insurance Bureau will be held May 9-10 at Skytop Lodge, Skytop, Pa.

The Cincinnati Assn. of Insurance Women celebrated bosses' night with a cocktail party and dinner. Mayor Rich spoke and George Maggini, president Cincinnati Fire Underwriters Assn. responded. A skit, impersonating the "Gay Nineties" was put on.

## Templeman to Cleveland; Little, Newark Manager

Clinton L. Templeman, formerly Eagle and Royal Indemnity manager at Newark, has been appointed manager of Eagle, Royal and Globe at Cleveland. Before joining the companies in 1940, Mr. Templeman spent 12 years with Maryland Casualty at the home office and in Newark. He is the son of F. L. Templeman, head of Maryland Casualty's A. & H. department. He succeeds John Parks, resigned, at Cleveland.

John A. Little, formerly manager of Globe Indemnity at Newark, now will have complete charge of production and underwriting activities of all three companies there. He has been with Globe nine years and previously was a partner in a Scranton agency 12 years.

## C. L. Gurney Is Relected

CINCINNATI—C. L. Gurney, manager of Mutual Benefit Health & Accident, was reelected president of Cincinnati A. & H. Assn. In the past year the membership was more than doubled and it is the fourth largest association.

W. A. Rudd was elected vice-president and other officers were reelected. W. R.

Dignan spoke on selling methods. "It is easier to sell the public on the need of A. & H. insurance than it is to try to sell the agents on the tremendous importance of disability," he said. There will be one million more families in the U. S. in 1947, he commented, in pointing out the opportunities to make new sales.

## U. S. Seeks to Establish Cumulative Bond Liability

The federal government has filed suit at Hartford against American Surety contending the company is liable for \$3,865 embezzled by W. E. Welge, former clerk in the postoffice at Essex, Conn., whom American Surety bonded for \$2,000. The government position is that the amount of the bond should apply to each of the 10 years it was in force. In 1946 Welge pleaded guilty to embezzling \$7,949, of which \$4,083 was recovered. The government claims Welge did not embezzle more than \$2,000 in any one year. It seeks the total amount of net loss, not just the \$2,000 of the bond.

Reserve Life of Dallas has entered Virginia to write life, accident and health.



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## NEWS OF FIELD MEN

### Home's Southwest Setup Revised

Home has promoted C. H. Kelley, manager in Oklahoma, to resident secretary in Texas. E. M. Holt has been promoted from state agent for eastern Texas to manager in that state.

Mr. Kelley joined the company in 1927 as office manager at Oklahoma City. He was appointed special agent in 1934, became state agent in 1938 and was appointed manager in Oklahoma later that year.

Mr. Holt, a graduate of the University of Texas, joined the company in 1936 as special agent in Texas after more than 10 years in the insurance business. In 1943 he was appointed state agent for east Texas.

Irby M. Hughes, special agent in Oklahoma, is made state agent. Before going with Home in 1939 as special agent in Oklahoma, he was a fire insurance inspector for the Oklahoma Inspection Bureau. He is a graduate of Armour Tech.

M. L. Canfield, manager of the service department of Franklin Fire in Texas, is promoted to manager in that state. He was born in Havana, but attended public schools in Dallas. He was an independent adjuster for five years and in 1918 joined Franklin as special agent in Texas. He became executive special agent in 1924 and in 1937 joined E. R. Smith to form the joint state agency of Canfield & Smith. In 1943 he was made manager of the service department.

### Edmondson to Speak at Seattle Regional

Plans for a northwest regional Blue Goose conference at Seattle May 23 were related at a dinner meeting of the Seattle pond. George E. Edmondson, Tampa, most loyal grand gander, will be guest of honor. He will be accompanied by Mrs. Edmondson. Representatives of the British Columbia, Oregon and Washington (Spokane) ponds will attend, making this the first inter-pond meeting of a regional nature in the Pacific Northwest.

Lloyd B. Beattie, Home, is general chairman of arrangements. The conference will be held at the Olympic Golf &

Country Club, there being a business session, then luncheon and golf. Seattle and British Columbia pond teams will compete for the A. Z. DeLong trophy, and Seattle golfers for the Lee McKenzie cup.

A model initiation will be held under the direction of a special committee headed by G. Emory Moore. Ladies will join in the social hour and banquet, at which Mr. Edmondson will speak. Special arrangements are being made to entertain the ladies.

### Great American Divides Field; Northup Manager

The Great American group has divided the territory formerly covered by Special Agent Owen Parker in the East Bay and northern California sector. Hereafter he will cover the territory outside of Alameda county. Everett Northup has been appointed manager for Alameda county with headquarters in the Oakland office. Mr. Parker continues to make his headquarters there.

In taking over the new position Mr. Northup, who has been general adjuster in the Pacific department for several years, returns to his old field and the production end. He is succeeded as general adjuster by Wilbur C. Hiney, former associate general adjuster.

### Oregon Field Men Form Speakers Group

PORTLAND, ORE.—The Oregon Fire Underwriters Assn. has appointed a public relations committee which will be available for speaking engagements. Members will be available to speak before service clubs as well as agents organizations. The purpose is to develop good public contacts and to act as spokesmen in the public relations campaign, sponsored by the National Board, which has developed a series of interesting subjects for presentation to the public.

On the Oregon committee are: Louis R. Centro, St. Paul; R. J. Burke, Deans & Homer; L. S. Hopfield, Franklin National; Drew Lawrence, Great American; M. F. Penfield, Royal Liverpool, and R. E. Swan, Security.

The first speaking engagement scheduled has been taken by Drew Lawrence of Great American who will speak May 1, before the Kiwanis Club at The Dalles, Ore.

### Brown Goes to New Mexico; Name Schollander in Kan.

James K. Brown, state agent of St. Paul for southern Kansas at Wichita since December, 1945, following discharge from the navy after over two years' service, will move in June to the New Mexico field, where he hopes the climate will be more agreeable to his family. Mr. Brown, a native Jayhawker, traveled New Mexico for several years before joining the navy.

He will be succeeded in Kansas by Wendell C. Schollander, who has been in the North Carolina field before and since the war and previously was in the home office for several years. Mr. Schollander was a captain in the army for five years with combat engineers and saw service in the European theater. His father, O. A. Schollander, has been North Dakota state agent for St. Paul for many years and Wendell grew up and attended school in that state.

### Burg Montana State Agent in New Helena Office

The Phoenix-Connecticut group has established a service office in Helena, Mont., and has named M. L. Burg state agent in charge of the office. He has been in the Los Angeles office as manager of the metropolitan department but

formerly was in Montana, where he started in the business.

D. V. Iler, special agent with headquarters at Spokane, who has been handling Montana, will confine his operations to eastern Washington and the Panhandle of Idaho.

### Bardorf Transferred to Security Home Office

NEW HAVEN—Security of Connecticut has transferred Special Agent Martin F. Bardorf to the home office here, where he will assume broader responsibilities.

He joined the group in 1925 at the home office and was later assigned to Boston, where he has been associated with General Agent A. J. Murphy in handling the New England field for the past nine years.

Mr. Bardorf served as chairman of the Massachusetts divisional committee, later as chairman of the executive committee of the New England Insurance Exchange and as vice-president of the Bay State Club.

### Nuckles Joins Bernard Agency at Caruthersville

Thomas O. Nuckles, Jr., state agent in Missouri and Kansas for Norwich Union, has resigned to join the Bernard agency at Caruthersville, Mo.

Mr. Nuckles began with the R. B. Jones agency at Kansas City. Later he was with Springfield F. & M. in the western department office and as a field man in eastern Missouri. During this time he served as co-chairman of educational work for Missouri Fire Underwriters Assn. and as secretary of Missouri State Fire Prevention Assn.

In 1942 he joined the coast guard and at the time of discharge in 1945 was lieutenant senior grade upon a North Atlantic cutter. He is the son of the late Thomas O. Nuckles, Sr., who was farm agent of Springfield in Missouri.

### Eager Promoted by Employers Fire in East

Robert W. Eager, formerly with the Boston metropolitan department for Employers Fire, has been named to supervisory underwriter duties for the eastern territory.

Mr. Eager joined Employers group in 1927. By 1935 he had been promoted to special agent for Michigan. In 1937 he returned to the home office underwriting department as examiner.

### North Enters Illinois Field

Fire Association has appointed Howard D. North special agent in Illinois.

Mr. North has been in the Chicago office for 20 years. He recently served two years in the navy in the Pacific area. Headquarters will be in Chicago with State Agent A. R. Rathslag and Special Agent H. S. Cobb.

### Gifford to Kansas Field

Willard W. Gifford has been named a special agent in Kansas for Kansas City F. & M., with headquarters in National Bank of Topeka building, Topeka.

For a number of years he was associated with his father as a local agent

at Moran, Kan. In 1939 he went with National Fire as an underwriter at Topeka, and later at Chicago. He served in the army air forces, and since his return has been a special agent in Iowa for National.

On April 18, Mr. Gifford was married at Des Moines to Miss Ruth Roland, formerly with Hawkeye Casualty.

### Marshall Named by Phoenix

James M. Marshall, for the last two years manager of the insurance department of the Prairie State Bank agency, Augusta, Kan., has been named special agent by Phoenix of Hartford in Kansas as assistant to State Agent George L. Hampton, Jr., at Wichita. Mr. Marshall has been with the bank for several years and two years ago took over the insurance department with Roy A. Haines, a former Kansas bank commissioner.

### Martin Assists Gibbons

Harlan R. Martin, new special agent for St. Paul in Kansas, assisting State Agent W. S. Gibbons in supervision of northern Kansas with headquarters in Wichita, is the son of V. A. Martin, retired Kansas special agent and adjuster for the hail and farm department of Home. Harlan Martin served 44 months with the coast guard in the war and previously was with the McNaghten agency, Hutchinson.

### Edmondson to Visit K. C.

George E. Edmondson, most loyal grand gander, and Mrs. Edmondson will be guests of the Heart of America Blue Goose at Kansas City May 2. The ladies auxiliary will hold a luncheon at Indian Hills Country Club in honor of Mrs. Edmondson and Mr. Edmondson will address the ladies prior to an afternoon of golf. A stag dinner will be held that evening when Mr. Edmondson will be the speaker.

### Ohio Speakers Hear Cuddy

Field men should realize that new agents and agents recently returned from the services will welcome information on present day methods of insuring buildings under construction, William T. Cuddy, Buckeye Union, told the Stock Fire Insurance Speakers Assn. at Columbus, speaking on "Up-to-Date Builder's Risk Forms and Coverages."

### McMaster Special Agent

Kenneth McMaster, city underwriter in the Pacific department office of Fidelity & Guaranty in San Francisco, has been appointed a special agent assigned to southern California territory with State Agent Al Latimer.

### Inspect Topeka Public Buildings

Inspection of public buildings in Topeka by the Kansas Fire Prevention Assn. included 96 churches, 36 schools, nine hotels, six hospitals and six theaters in a two-day program in which 54 members of the association participated. Churches were reported as having more fire hazards than other classes. The inspection was made at the invitation of Mayor Warren, with the fire prevention committee of the Chamber of Commerce assisting.

## MAN WANTED

Large printing company serving Insurance Companies for many years printing their Annual Statements has a vacancy for a competent man to serve their insurance customers. Man must be thoroughly familiar with preparation of Annual Statements, reside in New York or New England area. Steady position, good salary and excellent future for the right man. Reply giving age, education and experience. All replies will be held in strict confidence. Address L-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANT ADS

### WANTED

Assistant fire underwriter Chicago branch office of well established fire insurance company. If capable excellent chance for advancement to underwriter in six months. State age, qualifications and present salary. Address K-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### FIRE ENGINEER WANTED

An experienced fire insurance engineer thoroughly familiar with rating schedules in various states and fire prevention knowledge. Excellent opportunity and future for the right man between ages 30-40. R. N. Crawford & Co., Inc., 120 South La Salle St., Chicago, Ran. 0750.

### WANTED

Experienced Marine underwriter in our Western Department office. Permanent position and fine opportunity for the man who qualifies. 5 day week. Loyalty Group, 12th floor, 120 S. La Salle Street, Chicago.

### SPACE WANTED

Underwriter for companies wants desk space or will share small office Insurance Exchange or vicinity. Address L-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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## COMPANIES

### Mueller Joins Sequoia; to Reinsure Cal. Mutuals

SAN FRANCISCO—C. Albert Mueller, who has been with the Finn, Smith & Medcraft general agency here since returning from service has been appointed manager of Sequoia Insurance Co., recently organized by California county and farm mutuals. The new company, with \$250,000 capital and \$250,000 surplus, will write reinsurance for the mutuals.

Mr. Mueller started in the fire insurance business with Fireman's Fund in 1929 and later served in the field until he entered service.

Officers of the new company are E. M. Morrow, Stanislaus County Mutual, president; F. M. Aggen, Ventura County Mutual, vice-president, and V. H. Hawter, Santa Barbara County Farmers Mutual, secretary. The company received its license in February.

### New Kansas Company

Cimarron Insurance Co., Cimarron, Kan., has been organized as a stock company, with Forrest Luther as president, to write principally hail insurance on growing crops and short term grain insurance. Mr. Luther is president of the Wheat Growers Mutual Hail of Cimarron, which was organized in 1929.

### Laboratories Annual Meeting

(CONTINUED FROM PAGE 2)

mitted for listing was similar to that of pre-war years. In addition, there was a marked increase in automatically controlled electric blankets, radio and television receivers, and thermoplastic wires of various types. Aluminum as a building wire conductor, a thermoplastic Christmas tree lighting outfit, the first completely electronic motor controller, and the first high-voltage, inside lighting safety devices were investigated. Smaller diameter armored cable and smaller diameter nonmetallic-sheathed cable were recognized, together with appropriate fittings, as a consequence of the recognition of small diameter rubber-covered wire in the "National Electrical Code."

G. E. Manning, superintendent label service department, announced that many wartime controlled materials such as steel, copper, rubber and cotton, continued in short supply. Nevertheless new output records were made for a number of labeled products. For example, rubber-covered wires was more than 30% above 1941, the previous high. The lifting of restrictions on the use of copper, plus the continued recognition of aluminum for conductors of lightning protection systems, enabled manufacturers of this specialty equipment to partially satisfy the pent-up demand of rural areas for adequate certified lightning protection. The largest number of master labels was issued during the year.

Secretary Welborn reported that during the fall of 1946 work was started on a 2½ story addition to one of the buildings which will result in approximately 20,000 square feet of additional work space to become available soon.

### Received War Recognitions

Presented to the laboratories during 1946 were a certificate of commendation from the army service forces' ordnance department; a certificate of appreciation from the army service forces' chief of engineers; and a bureau of ordnance certificate from the navy.

Class C and associate members of the corporation attending were W. N. Achenbach, George H. Bell, H. L. Grider, R. D. Hobbs, E. F. Reske, Benjamin Richards, F. J. Sauter, J. P. Stokes and D. J. Talbot.

Trustees, members of the corporation, guests, the officers and senior staff attended a luncheon at the Blackstone.

### N. J. Men Get Fire Prevention Tips

(CONTINUED FROM PAGE 4)

the skates will cut and powder the floor, creating a dust explosion hazard.

The use of detergents or wetting agents, of which there are about 300 on the market, has been recommended and is being followed in some fire extinguishers. This is not all right for soda ash, but is satisfactory for use in some of the others. It has doubled the extinguishing capacity of the ordinary booster tank on a fire truck and is used to good effect there. It has a corrosive action on non-galvanized metal, eats through, and can cause leaks in the receptacles.

### Overloading Electric Wires

Year after year the demands on the electric systems in homes, apartments, business houses and factories increase. As the load increases, heat develops, the insulation dries out, and becomes readily ignitable. Over-loading is typical at home and business establishments. To the field man, Mr. Potter suggested that the only sure way of determining whether an electric line is being over-loaded is to feel the fuse box. If it is warm, then it is being over-loaded. This is practically the only sure way to discover over-loading since in barrel type fuses used in commercial establishments two or three elements can be used. Mr. Potter demonstrated how readily a fire can be started by over-loading an electric line.

In garages too frequently there are fumes from oil and gasoline and too many unguarded light bulbs are used. He demonstrated how quickly gasoline fumes settle and spread, and with what terrific force they explode when there is an igniting agent, such as a broken or hot light bulb. This shows, he said, how sound it is to spend \$3 to guard a 15 cent light bulb. A gasoline tank emptied in 1936 and continuously empty since that time was sold to a junk man in 1941. The junk man started cutting it up with an acetylene torch, and it blew up, injuring the man for life.

The explosive qualities of dust, particularly in woodworking and plastic manufacturing plants, were demonstrated. An open window can dislodge a quantity of dust, which, if there is an igniting agent, will explode, dislodge other dust, and cause other explosions. The importance of constructing factories, elevators, and other structures so that the force of the explosion can quickly reach the outside through windows or other openings is obvious, he said.

C. P. Carlson, Automobile, Newark, introduced Mr. Potter. Chief Charles Burnett of the Newark fire department was a guest. He commented on the complacency with which the people take fire losses as a matter of course. A series of tragedies, such as that in the hotel field, creates attention and then that attention wanes.

The May meeting of the club will consist of an inspection of the Walter Kidde & Co. plant at Belleville, N. J. The June meeting will be a golf tournament. C. David Martin of Niagara was elected to membership.

### Lee Lists "Musts" to Save Free Enterprise System

Virgin R. Lee, Chehalis, Wash., member of the executive committee of N.A.I.A., addressed the midyear clinic and sales meeting of the Colorado Assn. of Insurance Agents on "Private Enterprise a Must." He emphasized the importance of having men in the state legislatures who are friendly to the insurance business.

"There are always lurking in the background," he said, "men who would remove from private enterprise the insurance industry and have the state operate our business. Every local association should be on guard and our state associations should be well organized and alert to the problems confronting our business."

He stressed the importance of every agent belonging to his state association stating that "maybe some small agent in some small community will have the 'back home' contacts which will mean success for the passage of a desired measure or defeat for an undesirable measure."

Mr. Lee laid down the requirements for his listeners to meet the challenges that lie ahead. He said:

"We must be conscious of our responsibility as citizens in a free enterprise and as insurance men. We must do a better job of selling. We must meet the requirements of Public Law 15 and familiarize ourselves and our agencies with the provisions of the newly enacted rate regulatory laws of our states. We must take a great interest in our community and legislative affairs. We must be constantly alert. We must study and keep informed, especially of the many changes taking place. We must obtain higher agency qualification laws."

### Hail Men Form New Assn. at Toronto

A new hail underwriting group, the Ontario-Quebec Hail Assn., has been formed in Toronto. Norman G. Bethune, supervisor for Canada for Home, is president of the executive committee. D. P. Stewart, manager of Home in Toronto, was named by Mr. Bethune to call a meeting for organization of an advisory committee. Joseph Mooney of Continental will act as secretary of both the executive and advisory committees.

The executive committee will consist of direct representatives of the companies serving in a supervisory capacity. The advisory committee will consist of one representative of each hail writing office and will review proper forms, accumulations of statistics and uniformity of practice.

In attendance at the meeting were Joseph E. Cryan, assistant secretary at Chicago, America Fore, and E. R. Smith, manager of the central hail department of Home, Chicago.

Harry L. Krieger, Ohio Inspection Bureau, has been made chairman of the fire prevention section of the Columbus Chamber of Commerce Safety Council.

### Highlights IN INSURANCE HISTORY



### EXCLUSIVE MEMBERSHIP

In the early 1800's membership in an American Fire Society was based on social importance rather than fire-fighting ability. Rival societies not only tried to surpass each other with beautifully decorated engines and expensive uniforms, but in superiority of big-name membership. There were several competitive societies in Boston, and other citizens thought they indulged in too frequent "inspection parties". These gay affairs were held supposedly for the purpose of inspecting each member's equipment, which consisted of: 2 leather buckets, a canvas bag for saving valuables, and a bed key.

While the National Union and Birmingham Fire Insurance Companies see the importance of an organization "putting its best foot forward" they hold the old American conviction that any organization's worth is measured by its performances.

### National Union and Birmingham

FIRE INSURANCE COMPANIES  
PITTSBURGH PENNSYLVANIA

## EDITORIAL COMMENT

### Insurance Is Not a "Game"

Every once in a while when one engaged in the insurance business is introduced to someone with whom he is not acquainted, the reply may be, "Oh, you are in the insurance game, are you?" There is subtle reflection in this inquiry which is not complimentary. The inference is that insurance may be akin to some gambling proposition.

Insurance is far from being any kind of a "game". It is one of the greatest big businesses in the world. The largest financial institution in the entire world is an insurance company; Metropolitan Life. There are hundreds of millions of dollars invested in the enterprise. There are millions and millions of people that are protected by it.

It might be well when insurance is referred to as a "game" for a person introduced to give a brief explanation about the business and show why it is one of the gigantic, vital and most useful lines of enterprise that we have.

After all it is the people that are en-

gaged in insurance that create its reputation. The vast majority of insurance people could well be classed in the highest grade. Insurance business is great and successful and hence, it must be managed and sold by great people. They, fortunately, predominate. We have some who are not capable of interpreting it to the public as it should be or looking after the needs of policyholders as they deserve. Fortunately, they are in the small minority.

Our government thought insurance was beneficial when it arranged for life insurance for the men going into service. In addition to its protective features, insurance is one of the greatest savings institutions that we have. Insurance is the basis of credit. It enables the people to go ahead with their work without fear. It provides a cushion for loss in many directions. It throws the mantle of safety about those who are protected by it and it is far removed from a "game" in any sense.

### Self-Regulation Must Regulate

Undoubtedly, we are in an era of self-regulation. That is, all organizations, all industries must assume the responsibility of regulating themselves so that there will be no injustice to the public and no discrimination against others in the same line of business. Insurance has already felt the hand of the government in this direction. It must so regulate its activities that there will be real conformity with the requirements of the government. Unless there is a determination on the part of all hands to do this self regulation in a trustworthy and conscientious way, the government, no doubt, will step in and do the regulating itself.

We have a very good example of this transpiring. Thirteen eminent men for three years have been studying carefully the so-called freedom of the press, radio broadcasting and the movies. These men were backed by a fund of \$215,000 for expenses. They wanted to know whether there was a free and responsible press. Those who conducted

the investigation were educators, philosophers, lawyers, a poet and a banker. They heard 283 witnesses. The expense was incurred by the magazine "Time" and the "Encyclopedia Britannica". They decided after this long investigation that press freedom beginning with radio and movies as well as newspapers and magazines, is in great danger. The investigators claim that the danger rests largely with the press and not with anything outside.

The committee stated that these agencies can do much constructive work along high grade beneficial lines or they can be of great detriment. It can endanger the people of the world. The committee stated that in a few cases the agencies were meeting their obligations in a very satisfactory way, but a great number were not. The conclusion was that unless these agencies took it upon themselves to do the reforming and regulation, the government would have to step in and do the work itself. That is an ominous statement.

### What Should a Poor President Do?

Company presidents are busy men. The working time at their office is entirely too short to enable them to take up even important matters that they desire to study. Therefore, they are compelled to make a careful selection of

what they can accomplish during the day, what is urgent and what is most important. One president remarked that he had reached the conclusion that he would give more attention especially to agents that came to visit him, than he

had before, and would take from the time that he had allotted to other duties.

His opinion is that the agents feel that the president is a long way from them and does not understand their problems or situations. His mind is involved in subjects other than production of business. Agents complain at times that if the president had a more correct view of what they are trying to do and what are the difficulties around them, it would add much to the smoothness of the machinery. This president opines that he can better afford to sacrifice on other items and give the agents more time. That is a question for each president to decide for himself. Presidents that have had field experience do not have to be

prodded to lend a hand to agents.

The producing forces today are confronted with unusual situations. The companies, as a whole, it might be said, are getting more business than they desire. They are putting on the brakes. They are using various means to keep business from coming in. The agents are spending much energy in getting their business handled, this especially being true in fire and casualty insurance.

Therefore, it might seem that presidents could well afford to devote more time to the agency end because this very condition in which they find themselves will have its influence on the future and will present unprecedented questions that will have to be solved.

### Getting Too Far from the Soil

The head of one of the important fire companies, who is not only a splendid underwriter, but a philosopher, believes that one of the big difficulties in the present era is that people have got too far from the soil. When this country was far more rural in its complexion than it is today, and there were more people tilling the soil in a simple way, they were obliged to give before they received. Thus, there was no advantage

to be taken on either side. The farmer planted and cultivated his crops. If he were diligent and intelligent, he would get his reward. He had to work for it.

Today, unfortunately, people want to receive before they give anything. They are looking for a soft snap. They want something for nothing. We might well return to the halcyon days of rural simplicity, when people were willing to work before they received any reward.

## PERSONAL SIDE OF THE BUSINESS

**Robert Holm**, son of Frank Holm, advertising manager of Fireman's Fund, now in the underwriting department of the Los Angeles office of Glens Falls, was married at Berkeley, Calif., to Miss Patricia Johnson. Young Mr. Holm served in the war and after returning took a course at University of California before joining Glens Falls.

**Shelby C. Davis**, who has resigned as deputy superintendent of New York, has resumed his status as an active member of the New York Stock Exchange. The firm of Shelby Cullom Davis & Co. will conduct a general investment business specializing in securities of American insurance companies and their markets. The activities of the firm will be carried on in association with Frank L. Brokaw, who for the past 20 years has made a specialty of insurance stocks. The firm will be located at 110 William street.

**J. A. Bogardus**, president Atlantic Mutual, is returning home from a nation-wide tour of the company's agencies and branches which included a week's stay in San Francisco and Los Angeles.

**William A. Butz**, reinsurance manager of American International Underwriters, has just received the French croix de guerre with gold star, for combat operations in February, 1944, in the Colmar pocket. He was attached to the French army as troop movement officer. He also received the bronze star medal and army commendation ribbon with cluster from the American army.

The engagement of Patricia Busler,

daughter of **Sam E. Busler**, Kansas City local agent, to **Cliff C. Jones, Jr.**, whose father is a firm member of R. B. Jones & Sons, is announced. The nuptials are scheduled for the fall.

**W. J. Laadt** of Cramsie, Laadt & Co., Chicago, and Mrs. Laadt went on from the N.A.I.A. convention to Santa Fe for a vacation trip.

**C. M. Holbert**, who has been elected mayor of Twin Bridges, is chairman of the rural agents committee of Montana Assn. of Insurance Agents.

**Arthur Raymond**, retired Cook county manager of Travelers Fire, was in Chicago for a few days en route from Florida to California. He and his wife will visit a son in Santa Ana.

**G. C. Cundiff** of Chicago, head of the farm department of Home, is a new grandfather. His daughter, Mrs. C. B. Tarter of Louisville, is the mother of a son. Her husband is state agent for Home. The Tarters already have a son 7½ years of age who undoubtedly, in due time, will become associated with Home.

Low gross winner among agents at the N.A.I.A. golf tournament was **Kenneth Ross** of Arkansas City, Kan., and he thus captures the Alfred M. Best trophy. Second low gross among agents was **S. W. Creekmore**, Ft. Smith, Ark.

Among the company players, **Don Shannon** of Oklahoma City, farm special agent of Great American, had the low gross. Blind bogey was captured by

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May 1, 1947  
Richard M. "Honest" Local Agent high gross President National Texas and the American Agent  
General Seattle  
William DeMille ge known ins Northwest after an ill spent two tal, and apcovery but days was Marks School of schooling, 1904 as Crosby Fl he entered where he 1912 entered 1921 he be C. B. De field. Sh death, Mr dent. Mr DeMille, a tary-treas business agency. Mr. M gander of Chaunce Jersey sp died at hi H. O urer of largest lo Wis., die playing g where he treatment James Racine, V Wayne local age hemorrhha Albert Charles cago, an ganization elevator Chicago, had been a number for milit had not His age Mr. C nected w He start oped a k and espe surance e given an selling a came esp insuranc into the smile an counsel ideas wh the roun In Ja had bee NATIONA formed ciates. life insur Frank ance ma Springs to Colo afterwar of whic pany at one of in Colo later y



Richard McLarry of Dallas, while "Honest" Richard Budlong of "The Local Agent," St. Louis, was awarded high gross for his score of 147.

President John L. Mylod of Pacific National Fire, is on a visit to Texas and is attending the meeting of the American Assn. of Insurance General Agents at Dallas.

## DEATHS

### General Agent Marks of Seattle Dies at 63

William H. Marks, 63, president C. B. DeMille general agency, one of the best-known insurance men in the Pacific Northwest, died at his home in Seattle after an illness of over three months. He spent two months in Providence hospital, and appeared well on the road to recovery but had a relapse and for several days was in a coma.

Marks did some work at Montana School of Mines after finishing his early schooling, then was sent to Seattle in 1904 as manager of the Washburn-Crosby Flour Milling Co. The next year he entered the contracting business, where he was very successful, and in 1912 entered the local agency business. In 1921 he became associated with the late C. B. DeMille in the general agency field. Shortly before Mr. DeMille's death, Mr. Marks in 1932 became president. Mr. DeMille's eldest son, C. R. DeMille, was vice-president, and W. J. DeMille, second son, was elected secretary-treasurer. Both are active in the business and continue at the head of the agency.

Mr. Marks was past most loyal member of Seattle Blue Goose.

Chauncey L. Benedict, northern New Jersey special agent of Hartford Fire, died at his home at Caldwell, N. J.

H. O. Bernhardt, 67, secretary-treasurer of Door County Abstract Co., largest local agency at Sturgeon Bay, Wis., died after being stricken while playing golf at Excelsior Springs, Mo., where he had accompanied his wife for treatment.

James E. Pritchard, 75, local agent at Racine, Wis., died at his home there.

Wayne H. Butts, 83, Carthage, Mo., local agent, died following a cerebral hemorrhage.

Albert S. Cutler, vice-president of Charles D. Spencer & Associates, Chicago, an insurance public relations organization, died of a heart attack in an elevator of the Board of Trade Building, Chicago, Monday morning. While he had been afflicted with heart trouble for a number of years and was turned down for military service on that score, he had not suffered any acute symptoms. His age was 38.

Mr. Cutler for 20 years was connected with THE NATIONAL UNDERWRITER. He started as an office boy. He developed a keen interest in insurance affairs and especially took a liking to life insurance and life insurance men. He was given an opportunity to try his hand at selling and had a knack for it. He became especially well acquainted with life insurance field men and was welcomed into their midst. He had a winning smile and in the course of selling gave counsel to his prospects on salesmanship ideas which he had acquired in making the rounds.

In January, 1946, Mr. Spencer, who had been associate editor of THE NATIONAL UNDERWRITER, and Mr. Cutler formed Charles D. Spencer & Associates. Mr. Cutler was starting to make life insurance calls when he died.

Frank Cotton, Sr., 83, pioneer insurance man, died at his home in Colorado Springs after a short illness. He moved to Colorado Springs in 1890 and soon afterward organized the Sun Realty Co. of which he was president of the company at the time of his death. His was one of the oldest continuous agencies in Colorado. Associated with him in later years were his son, Frank Cotton,

Jr., and his grandson, Frank Cotton III.

J. F. O. Reller, 83, St. Louis real estate and insurance agent for 35 years, died of heart disease in a hotel room at Washington, D. C., two hours after he arrived there to attend his 25th meeting of the U. S. Chamber of Commerce.

Robert L. Gartner, 57, Houston local agent, died there. He had been in the insurance business 35 years and had served twice as president of the Houston Insurance Exchange.

C. C. Black, 67, of the Black & Wertheimer general agency, Houston, died in a Kerrville, Tex., hospital. He had been a resident of Houston 18 years.

Charles H. Stagg, formerly an adjuster in the Cook county department at the home office of Western Adjustment, died at his home in Santa Monica, Cal. Mr. Stagg was with Western for about 23 years. He retired in 1939.

Benjamin E. MacDougall, president of the E. L. Watson Co. agency and of Providence Mutual Fire, Providence, R. I., died at 74 at his home in Bristol, R. I. He entered insurance 55 years ago as an office boy with the agency and company.

Mrs. Grace Engelhard, wife of Willard P. Engelhard, member of the agency firm of Engelhard & Co., Chicago, died in Wesley Memorial hospital at the age of 44.

Charles C. Plummer, 68, head of the Portland local agency of H. H. & C. C. Plummer and a former member of the Maine boxing commission, died. He joined his father in the insurance business as a young man.

Frederick W. Godfrey, 71, a fire insurance inspector for New England Rating Assn. of Boston, died suddenly. His home was at South Easton, Mass.

### 'Vigilance' Magic Word for Defalcation Cure: Nichols

W. J. Nichols, executive secretary of Standard Accident, Detroit, in a speech on "Bank Defalcations Prevention" before the mid-continent regional conference of the National Assn. of Bank Auditors & Comptrollers at Grand Rapids, said vigilance is the price of keeping free of such losses.

He described several actual cases, the methods used and the motives prompting the defalcations.

He said that a whole lot could not be done where a teller stuffs his pockets with money on a Saturday afternoon preceding a long week end to go south while the time locks keep his secret. There are always going to be some losses of that kind, he said. "However, the eternal vigilance of bank auditors and comptrollers and the continued work on their part with always a searching mind for improvements which can and should be made are bound to have a very considerable effect on experience."

"The dividends from that effort are two-fold: (1) Prevention of many losses and curtailment of others with the actual dollar saving only part of the benefit and (2) preservation of experience credits which mean lower premiums on blanket bonds."

Mr. Nichols said that postwar conditions reflect many unfortunate influences and create many problems. "Such matters as the high cost of living and disparity between living costs and earnings are important in looking ahead. Have we inflation? Will we have inflation? With inflation comes speculation with the temptations and pitfalls. More basically, we have the effect of subtle and serious influences on the individual which are even now showing up in the crime figures."

### Cote to N. E. Casualty

New England Casualty has appointed Frederick L. Cote chief statistician. He started in 1922 with the Employers group, became chief clerk in the actuarial department for all the companies. He joined Massachusetts Bonding in 1929 as statistician, becoming office manager as well.

### SERVICING \$597,700 LOSS

## Equitable Society Paying Texas City Claims on Spot

DALLAS—Losses in the Texas City explosion under ordinary, industrial and group coverages have been placed between \$3 million and \$4 million with an emergency claims committee set up merely as a clearing house. No reliable figures are available on disability claims, but it is reported that much of that business carried double indemnity.

A dramatic insurance sidelight to the Texas City disaster was provided when a home office representative of Equitable Society walked into the fire-blackened plant of Republic Oil Co. five minutes after it was declared safe for personnel on April 18 and advised that his company would begin paying death claims immediately. Four hours after officials of the Pan American Petroleum and Transport Co. had started to list their known dead, the same Equitable representative was at their side, checking off obligations under the group policies issued to that company.

The planning that made on the spot claims assistance possible so quickly, began at the Equitable home office on Wednesday afternoon, April 16, when first news of the Texas catastrophe ticked over the wires. Checking its records, the group department reported that Equitable coverage was in effect on Republic, Pan American and Lack's Wholesale Distributors.

At Republic there were 400 employees covered for group life in amounts ranging from \$500 to \$5,000, graded according to salary. The group also had accidental death and dismemberment coverage on a 24-hour basis. Pan American had group life coverage ranging from \$1,750 to \$10,000 on 1,600 employees, plus non-occupational accident death and dismemberment. Lack's held hospitalization and surgical benefit coverage on its personnel and their dependents. Society records also showed 172 ordinary life policyholders in Texas City.

### Dallas Men Rush to Scene

As a first move, James A. Bell, divisional group manager, and Perry C. Adams, service supervisor, were rushed to Texas City from Dallas to cooperate with the claims department and the cashier's office. The men arrived the day after the explosion with a supply of necessary claim papers. At the same time, the claims department breached the telephone strike curtain with a priority call to George Hitchcock, regional claims representative in Chicago.

Instructions to Mr. Hitchcock were proceed at once to the area with authorization to issue drafts immediately in group life cases where immediate funds are necessary and identification and validity of the claim has been established.

As a result of this teamwork, Mr. Adams was making his way into the rubble of the stricken city on the morning of April 18. He had already contacted Seth Ennis, Equitable representative in Texas City, who had been evacuated the day of the disaster and from him learned the exact locations of the plants which were Equitable policyholders.

Meanwhile the claims department was in touch with the home office of Republic in Pittsburgh and Pan American in New York. At the same time, Thornton Ellis, cashier at Houston, was reached on the telephone. He was already checking casualty lists, as they were released, against the policyholder index in his office. These casualty lists were also going forward to the home office by air mail for a further check against the general policyholder index.

This week, as preliminary reports were made up, this was the Equitable picture from the still smoldering ruins: 10 known dead at Republic Oil were insured under group life and group ac-

cidental death and dismemberment for a total of approximately \$100,000. In addition 27 employees were listed as missing and probably dead. Coverage here amounted to an estimated \$216,000. Also listed were 27 employees not otherwise accounted for and the estimate of insurance obligations for them was not attempted.

At Pan American there were seven known dead with death claims amounting to \$32,500, five were listed missing, with coverage approximating \$25,000. Non-occupational accidental death and dismemberment benefits may also be that would increase the loss by some \$30,000. Total group obligations involved in some of these claims of Equitable, according to preliminary reports, total \$403,000.

Ordinary claims thus far total \$100,700 on six lives with 13 policies, consisting of face amounts plus double indemnity. Listed as missing are six ordinary policyholders whose claims would total \$93,500, making total ordinary claims \$194,200. The grand total amounts to \$597,700.

### CONTINENTAL CASUALTY COVERED THE FIREMEN

Continental Casualty had the group accident cover on the volunteer firemen of Texas City, the policy having just gone into effect March 1 and the premium having totaled \$295. Of the 47 members of the department, 27 are definitely known to be dead, and several have not yet been located. There was \$3,000 accidental death benefit under the cover as well as medical reimbursement and weekly indemnity so that the total claims paid may well approach \$100,000.

This is believed to be the largest loss ever suffered under a volunteer firemen's policy. Continental Casualty is one of the principal companies in this field. Among those killed were the chief, the first assistant and two captains. A. G. Fankhauser, assistant claims manager of Continental Casualty, has gone to Texas City in this connection.

Just five minutes before the explosion, one of the firemen who had a camera with him, took a picture of the entire group assembled on the waterfront. He left just before the explosion and the picture is being used in the Continental Casualty house organ under the caption "Five Minutes Before Eternity."

### H. G. Bronson Advanced

H. G. Bronson, for more than nine years district agent at Green Bay for Massachusetts Protective and Paul Revere Life, has become general agent for 20 counties of north-central Wisconsin and upper Michigan. Arthur L. Lytle, state manager, and Lester Ellis, also of Milwaukee, installed the new agency.

Francis W. Quade, Eau Claire, has been named northwestern Wisconsin general agent.

### Ask Driscoll to Hold Off

The New Jersey State Chamber of Commerce has requested Gov. Driscoll to refrain from calling a special session of the legislature for further consideration of a state cash sickness benefit plan. He was requested to postpone further action until next year. The New Jersey legislature adjourned without enacting the Brescher bill in connection with which there would be a state fund and provision for participation by private insurers.

Illinois Mutual Casualty, has now moved into its new home office building at 411 Liberty street, Peoria, Ill. The company has had its home office in the Jefferson building of that city.

# TRAGIC, YES - NECESSARY, NO

While you read this 10 people will be killed or injured in automobile accidents!



Globe-Democrat photo

¶ We in the business of insurance may be expected to think of automobile accidents in terms of dollars for claims and damages. I think, however, you will not question the sincerity of my purpose in addressing this message to you, with the fervent hope that it may contribute in some measure to the mobilization of forces to help erase a national scandal—for humanity's sake!

¶ Ten persons will be killed or injured as a result of automobile accidents *while you are reading this*. If the present trend continues, 38,000 will be killed outright in 1947 and more than 1,300,000 will be injured. The dead, in many cases, will die suddenly and violently with no warning except the scream of tires or the deafening clash of steel meeting steel, followed by the weird musical sound of breaking glass.

¶ Many of the injured will prefer death to the agonies they will suffer

as the anesthetic effect of shock wears off and the pain of torn flesh and broken bones becomes unbearable. Millions of others are affected directly or indirectly—the dependents suddenly without means of support—the mothers and fathers of children struck down at play and those who must sit helplessly by, day after day, in a hospital room unable to ease the suffering of their loved ones.

¶ **Tragic, yes; necessary, NO.** That is the bitter irony of this appalling picture of death, injury and property destruction. **Ninety per cent of all automobile accidents are avoidable**, which is another way of saying that they are caused by drunken, irresponsible or careless driving; willful violation of traffic laws and rules of the road; or complete disregard for the rights of other drivers and pedestrians!

¶ What can we do to help correct these conditions? There are more than half a million men and women engaged in the business of insurance in this country. Each of you have friends—both personal and business. Many of you belong to civic or service organizations. Thus, the number of people we can reach runs into the millions.

¶ **Should we not, therefore, join together in a continuing twofold campaign to (1) drive carefully and walk carefully ourselves, and (2) exert our influence at every opportunity to make others safety conscious?**

¶ Your own actions and the example you set for others may well be the means of saving *your* life, or preventing the death or injury of others.

O. L. Schleyer, President  
AMERICAN-ASSOCIATED  
INSURANCE COMPANIES

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## Give Result of Agents' Poll on Surety Questions

Travis Bailey Reports on Questionnaire at Oklahoma Parley

Results of a questionnaire to state agents associations sounding out sentiment in regard to various fidelity and surety matters were relayed to those attending the fidelity-surety "activity conference" at the N.A.I.A. Oklahoma City meeting by Travis Bailey of Lytle W. Gosling Co., San Antonio. He is chairman of the fidelity-surety committee.

Another feature of that session was a talk by David Porter of Surety Assn. of America, sketching the history of fidelity-surety business and scanning the current outlook. He remarked that activities in the contract field had been slowed down to a walk but he said the FHA rental housing program under which the sponsor puts up 10% of the cost may be the impulse that would generate activity and that in six months contract business may reach a substantial development. The best bet in the immediate future seems to be the heavy construction field, he said.

### Manual Revision Favored

Mr. Bailey said he sent out the questionnaire March 27 to all the state associations and received 27 replies. On the question as to whether revision of the Towner manual is favored 22 said yes and three no. Mr. Bailey expressed the belief that many small agents shy away from fidelity-surety solicitation for fear of betraying their ignorance. He said that if the manual were simplified it might give such producers confidence.

He remarked that revision of the fidelity and blanket bond section has been almost completed and the contract section will be overhauled next.

On the score of whether the rate manual should specify the commission rate, 21 said no and three yes. Mr. Bailey remarked that in the temporary revision of the contract bond section there is no reference to commissions and he said that this may reflect a change in policy at headquarters.

In answer to a question on the point, 21 expressed the belief that the commissions are not adequate on primary commercial blanket and primary position bonds. Three said the commissions are satisfactory. Most producers, Mr. Bailey declared, believe the commission rate should be the same as for other fidelity lines; however, a graduated plan might be satisfactory. It may become desirable for the agents to take concerted action, he said. It is true that this is a matter of private contract but the companies are making these decisions in concert while the agents have been proceeding individually.

### Another Commission Question

On the question of whether commissions should be based on the manual premium before experience credit, 21 said no, four yes. Fourteen were in favor and 11 against consolidating the primary commercial blanket and the blanket position bonds.

The question was asked whether the bonds should be broadened and there were several individual suggestions. Some wanted the adding of mysterious disappearance. One replied that the 3D

(CONTINUED ON PAGE 35)

## Debate Buyers' Proposal to Broaden Liability Form

Risk Research Institute Committee Gives Ideas for General Liability Policy

NEW YORK—How can an insurer write a general liability policy that will cover all the hazards—including the unknown ones—that a big corporation wants covered and yet not include liability for claims not properly or reasonably a subject of insurance?

That was the question at issue at the Risk Research Institute meeting, at which four members described the Institute's proposed policy and F. J. Marryott, counsel of Liberty Mutual, discussed the proposal from the insurer's standpoint, including the difficulties a company would face in trying to issue such a contract.

A summary of the proposed policy was given in the April 17 issue of THE NATIONAL UNDERWRITER.

### Designed for Large Buyer

Frank Gillingham of American Home Products Corp., who acted as chairman, pointed out that the policy was designed principally for the large insurance buyer. He conceded that perhaps many torts should not have coverage and that an insurer would not want to write them and hence the proposal should be modified to some extent.

The buyers, he said, are not sympathetic with such arguments as "This never has been done before," or "We don't know what the liability would be." He recalled the development of inland marine insurance as an example of progress despite head-shaking by those wedded to established coverages. The proposed form, he said, does not cover all insurable liability, although the buyers would like to do this but thought it might be wishful thinking.

### Personal Injury vs. Bodily Injury

Edward Halkyard of Combustion Engineering Co., discussed the removal of any reference to accident, event or occurrence and broadening of the policy to include not only bodily injury but also personal injury, sickness, disability, including death resulting therefrom, and instantaneous death. Bodily injury would be changed to personal injury liability and the restriction on assumed liability would be removed, so that it was not limited to certain instruments. The property damage provision would be similarly broadened. Also, if the insurer lacked facilities for defense of an action from remote point, since the coverage would be world-wide, the insured would be authorized to make the necessary arrangements and would be reimbursed by the insurer.

William McGarry, U. S. Industrial Chemicals, Inc., discussing the proposed coverage of liability for objects in the care, custody and control of the insured, said that the insurance buyer is not in the insurance business but the insurance company is. Therefore, when an unknown loss comes up, the buyer expects the insurer to pay. He conceded that the underwriters have provided some liability as respects care, custody and control, but the buyer has a problem because the coverage is not on a blanket basis. Another complication is that sometimes it is hard to tell whether an object is in the insured's care, custody or control and if there is any doubt about it, "We feel the insurer should step in and pay," he said. He criticized present policies labeled "blanket" and "comprehensive," as being neither, but only slightly broadened versions of earlier policies.

Peter Drake of Schenley Distillers

(CONTINUED ON PAGE 36)

F. J. Marryott, Liberty Mutual, Tells of Its Problems from Insurer's Angle

NEW YORK—Quoting the late Justice Holmes' statement that he had "no faith at all in panaceas and almost none in sudden ruin," F. J. Marryott, counsel Liberty Mutual, told members of Risk Research Institute that their proposed general liability policy, in whatever form it finally appears, will probably not be a panacea which pretends to cure the "occupational diseases" to which insurance buyers are characteristically exposed nor will it be as rough on the carriers as the institute committee's draft.

However, he made it clear that his lack of faith in panaceas was by no means inconsistent with an abiding belief in progress.

Bespeaking patience on the part of the buyers, Mr. Marryott said that underwriters have been greatly occupied with problems forced on them by the S.E.U.A. decision and are at the point in the development of comprehensive coverages where each change brings in its wake some disadvantages the buyers would not wish to accept or some difficulties for which the insurers have no easy solution.

### Contractual Liability the Thorniest

Mr. Marryott said perhaps the most troublesome of the several proposals in the draft is the one covering, on a blanket basis, liability assumed by contract. The present policy covers only warranties of goods or products, leases of premises, easement agreements, agreements required by municipal ordinance, sidetrack agreements and elevator or escalator maintenance agreements—and only if damages are caused by accident. For all except warranties of goods or products the contracts must be in writing.

There are two obstacles to covering all kinds of contracts, whether in writing or not, and regardless of how the damages arise: (1) Underwriters quite understandably don't want to allow the insured to select what liabilities are to be assumed, thereby taking over in part the role of risk selection, the underwriters' chief function; (2) if "caused by accident" is dropped there is danger that the policy would include many liabilities assumed in the regular course of business and which should not be regarded as subject to insurance because the contingency on which liability depends is controlled by the insured.

### Might Start With Blanket Grant

A possible solution, he said, might be to start with a blanket grant of contractual liability and then to exclude contractual liability "except in so far as such liability is for injury to or destruction of tangible physical property" but even so there would be no assurance of covering only genuine contingencies rather than mere failure to perform contractually imposed duties. Possibly the most feasible attack, he said, would be to explore the question as to whether a broadened definition of "contract" would be of substantial benefit.

Still another possibility would be to cover "blanket" but on a "caused by accident" basis such liability of others, arising out of the insured's normal business operations, as the insured assumes by written contract. Mr. Marryott mentioned the possible extension of the New York real property law which states that agreements in connection

(CONTINUED ON PAGE 35)

## \$2.6 Billion Is 1946 Casualty Premium Total

Increase Is 23.8% According to Compilation of Argus Chart

The aggregate premium income during 1946 for some 760 casualty and surety companies increased 23.8% over 1945, from \$2,167,393,820 in 1945 to \$2,682,299,980 last year according to the four page summary of the business contained in the new 184 page Argus Casualty & Surety Chart for 1947, published by The National Underwriter Co.

This summary includes all classes of companies, stock, mutual, reciprocal, hospitalization, accident and health and the A. & H. department of life companies. Total losses paid including adjustment expenses, rose from \$1,122,118,821 in 1945 to \$1,405,040,203 last year. The paid to written loss ratio for 1946 was 52.4, compared to 51.8 in 1945.

Assets of all stock companies excepting A. & H. and life companies writing A. & H., increased from \$5,007,312,986 to \$5,365,124,116. Their surplus to policyholders decreased from \$1,166,902,805 to \$1,165,625,947.

The net gain from investments was \$17,192,673 compared to \$151,773,223 in 1945. Stock companies had an underwriting loss of \$15,949,640 in 1946 compared to a gain of \$66,575,326 from underwriting the previous year.

### Stock Company Total

Stock companies of all kinds, according to this analysis wrote a total of \$1,784,945,081, of which \$552,050,042 was A. & H., and \$549,001,657 was automobile business, increases of \$94,472,772, 20.6%, and \$189,771,130 or 52.8%, respectively, over the 1945 totals.

Of the grand total premiums of \$2,682,299,980 for the industry, stock companies excepting exclusively A. & H. and life companies writing A. & H., wrote \$1,427,854,323 in premiums during 1946, a gain of 21.4% over the \$1,176,101,371 written by them in 1945.

The next largest stock classification, workmen's compensation, amounted to \$318,366,691 in premiums during 1946, a gain of only \$8,255,548. Liability other than auto premiums totaled \$136,056,191 in 1946, up 12.2% from 1945.

The U. S. branches of foreign companies wrote \$129,280,410 in 1946, up 19% from the previous year. Stock A. & H. companies wrote \$357,090,785, an increase of 15.9% over 1945.

### Mutual Increase 21.9%

Mutual companies, excepting A. & H., wrote \$481,430,373 in premiums during 1946, an increase of 21.9% over 1945. Mutual companies of all classes wrote \$605,399,174 last year, a gain of 23.8% over 1945. Of this, \$251,335,638 was auto business, \$173,303,702 workmen's compensation and \$134,211,557 A. & H.

Hospitalization associations wrote \$194,607,070 in 1946, up 34.5% from 1945. Reciprocals and Lloyds wrote \$97,348,655 which was 30.4% more than 1945.

The total of losses paid was \$1,405,040,203, of which \$709,647,013 was paid by the stock multiple line and auto companies. This represented an increase of \$282,921,382 or 20.1% over 1945 and produced a loss ratio of 52.4 compared to 51.8 the previous year. Stock companies alone paid losses of \$289,790,180 on

(CONTINUED ON PAGE 36)

# Argus Chart's Record of the Casualty Year

Net deposit capital of foreign companies (U. S. branches) is included in unassigned surplus item, but not in capital item.

## ALL COMPANIES

(Stock, Mutual, Reciprocal, Lloyds, Hospitalization Associations and A. & H. departments of Life Companies)

	1946	1945
Assets	\$29,549,958,283	\$29,549,947,557
Surplus to policyholders	2,956,589,664	3,236,742,414
Net premiums written	2,682,299,980	2,167,393,820
Losses paid including adjusting expenses	1,405,040,203	1,122,118,321
Ratio of losses paid to net premiums written	52.4	51.8

## STOCK COMPANIES

(American and Foreign—Direct Writing, Reinsurance, Multiple Line and Exclusively Automobile)

	1946	1945
Assets	\$5,365,124,116	\$5,007,312,986
Special surplus funds	232,351,152	232,351,152
Capital	218,901,424	208,677,488
Unassigned surplus	714,373,371	718,050,298
Surplus to policyholders	1,165,625,947	1,166,902,805
Net premiums written	1,427,854,323	1,176,101,371
Losses paid including adjusting expenses	709,647,013	565,585,500
Ratio of losses paid to net premiums written	49.7	48.1
Premiums earned	1,294,986,095	1,108,649,762
Losses incurred including adjusting expenses	792,393,066	619,260,799
Underwriting expenses incurred	427,607,402	427,460,313
Ratio of losses incurred to premiums earned	61.2	55.9
Ratio of underwriting expenses incurred to premiums earned	33.0	38.6
Net gain from underwriting and profit and loss items	—15,949,640	66,575,236
Net gain from investments	17,192,673	151,773,223
Net change in surplus	—3,676,927	79,631,270

## CLASSIFICATION OF TOTAL STOCK BUSINESS

(Stock Companies and A. & H. departments of Legal Reserve Life Companies)

	1946	1945
Net Premiums Written	1,427,854,323	1,176,101,371
Losses & Adj. Exp. Paid	709,647,013	565,585,500
%	49.7	48.1
Accident	\$77,026,591	\$68,750,264
†A. & H. Ind. Life Hospitalization (not sep.)	229,197,601	172,020,370
Group A. & H.	212,720,602	187,597,189
Non-Can. A. & H.	33,105,248	29,209,447
Total A. & H.	552,050,042	457,577,270
Auto fire, theft, tor.	9,164,715	2,958,567
Auto collision	60,283,679	26,072,797
Auto liability	343,417,042	228,518,499
Auto prop. dam.	132,733,651	93,823,586
Other auto (not sep.)	3,402,570	7,857,078
Total auto	549,001,657	359,230,527
Boiler-machinery	19,221,208	10,187,789
Burglary	66,015,042	52,917,354
Credit	3,964,284	4,156,883
Fidelity	42,643,759	65,001,238
Glass	16,244,151	13,954,152
Liabil. (not auto)	136,056,191	121,281,088
Live stock	1,428,372	1,070,000
P. D. & coll. (not auto)	19,214,304	15,003,794
Sprinkler leakage	1,330,955	903,700
Surety	51,571,771	40,660,011
Workmen's comp.	318,366,691	310,111,143
*Miscellaneous	8,236,653	7,028,637
Grand Total	\$1,784,945,081	\$1,459,083,586
†Figure varies because of manner companies segregate items.		

## ACCIDENT & HEALTH STOCK COMPANIES

(Including Legal Reserve Life Companies with A. & H. Departments)

	1946	1945
Assets	\$25,501,698,310	\$23,401,669,116
Surplus to policyholders	1,410,041,551	1,718,617,876
Net premiums written (A. & H.)	357,090,753	307,967,240
Losses paid including adjusting expenses	162,830,999	152,216,475
Ratio of losses paid to net premiums written	45.6	49.4

## EXCLUSIVELY AUTOMOBILE STOCK COMPANIES

	1946	1945
Assets	\$57,388,497	\$48,685,510
Special surplus funds	2,722,624	2,722,624
Capital	6,610,250	5,910,000
Unassigned surplus	12,367,765	10,727,912
Surplus to policyholders	21,700,639	19,747,931
Net premiums written	37,404,566	25,978,280
Losses paid including adjusting expenses	19,264,013	11,113,464
Ratio of losses paid to net premiums written	51.5	42.8
Premiums earned	30,745,429	20,607,027
Losses incurred including adjusting expenses	20,852,672	12,018,567
Underwriting expenses incurred	11,923,321	8,783,168
Ratio of losses incurred to premiums earned	67.8	58.3
Ratio of und. exp. incurred to premiums earned	38.8	42.6
Net gain from und. and profit and loss items	—179,923	469,328
Net gain from investments	935,588	1,753,525
Net increase in surplus	1,639,853	313,663

## REINSURANCE COMPANIES

	1946	1945
Assets	\$144,722,332	\$134,744,999
Surplus to policyholders	61,353,706	65,279,251
Net premiums written	47,970,213	37,581,599
Losses paid including adjusting expenses	11,157,897	12,254,847
Ratio of losses paid to net premiums written	23.3	32.6

## FOREIGN COMPANIES

	1946	1945
Assets	\$272,251,886	\$260,652,298
Surplus to policyholders	90,087,766	99,369,198
Net premiums written	129,280,410	108,581,171
Losses paid including adjusting expenses	65,945,066	51,779,759
Ratio of losses paid to net premiums written	51.0	47.7

## MUTUAL COMPANIES

(Multiple Line and Exclusively Automobile)

	1946	1945
Assets	\$783,364,638	\$714,247,803
Surplus to policyholders	202,274,079	199,735,837
Net premiums written	481,430,373	394,828,530
Losses paid including adjusting expenses	266,489,577	183,452,414
Ratio of losses paid to net premiums written	55.4	46.5
Premiums earned	462,881,408	375,279,508
Losses incurred including adjusting expenses	302,009,400	232,843,134
Underwriting expenses incurred	116,596,846	90,591,312
Ratio of losses incurred to premiums earned	65.2	62.0
Ratio of und. expenses incurred to premiums earned	25.2	25.1
Net gain from und. and profit and loss items	42,019,152	51,246,148
Net gain from investments	13,534,713	22,445,296
Net increase in surplus	2,538,242	54,104,240

## EXCLUSIVELY AUTOMOBILE MUTUAL COMPANIES

	1946	1945
Assets	\$120,484,494	\$102,223,950
Surplus to policyholders	34,442,871	36,458,570
Net premiums written	106,660,053	70,452,385
Losses paid including adjusting expenses	59,499,766	36,474,262
Ratio of losses paid to net premiums written	55.8	51.8
Premiums earned	94,880,537	66,510,486
Losses incurred including adjusting expenses	67,471,801	46,382,372
Underwriting expenses incurred	28,621,032	21,117,769
Ratio of losses incurred to premiums earned	71.1	69.7
Ratio of und. expenses incurred to premiums earned	30.2	31.8
Net gain from und. and profit and loss items	—2,540,287	—1,561,326
Net gain from investments	2,907,819	4,316,166
Net change in surplus	—2,015,699	8,101,713

## ACCIDENT & HEALTH MUTUAL COMPANIES

(Excluding Fraternal Societies)

	1946	1945
Assets	\$129,240,646	\$110,032,562
Surplus to policyholders	53,745,122	45,826,200
Net premiums written	115,693,101	94,724,235
Losses paid including adjusting expenses	55,225,374	44,408,326
Ratio of losses paid to net premiums written	47.7	46.9

## FRATERNAL SOCIETIES

(Accident & Health)

	1946	1945
Assets	\$180,568,359	\$111,737,805
Surplus to policyholders	25,790,148	14,230,284
Net premiums written	10,443,734	9,880,429
Losses paid including adjusting expenses	5,937,970	5,020,996

## HOSPITALIZATION COMPANIES & ASSOCIATIONS

	1946	1945
Assets	\$115,236,535	\$90,082,924
Surplus to policyholders	57,728,992	48,725,311
Net premiums written	194,607,070	144,727,781
Losses paid including adjusting expenses	156,505,370	116,207,133
Ratio of losses paid to net premiums written	80.4	80.3

## CLASSIFICATION OF TOTAL MUTUAL BUSINESS

(Multiple Line, Exclusively Automobile and A. & H.)

	1946	1945
Net Premiums Written	1,427,854,323	1,176,101,371
Losses & Adj. Exp. Paid	709,647,013	565,585,500
%	49.7	48.1
Auto fire, theft, etc.	\$24,972,867	\$11,711,307
Auto collision	53,315,742	41,010,174
Auto liability	122,812,958	52,672,263
Auto prop. dam.	50,234,071	32,781,374
Total auto	251,335,638	138,175,118
A. & H. (incl. sick ben. & burial)	134,211,557	65,824,289
Boiler & mach.	3,975,241	835,009
Burglary & theft	4,568,991	1,599,723
Fidelity	1,656,700	373,734
Glass	1,880,289	883,859
Liabil. (not auto)	27,885,805	9,110,601
Live stock	15,714	4,939
P. D. & coll. (not auto)	3,974,802	1,160,472
Surety	458,163	12,388
Workmen's comp.	173,303,702	108,066,426
Miscellaneous	2,634,572	536,509
Grand Total	\$605,399,174	\$326,583,072

## RECIPROCAL & LLOYDS

(Multiple Line & Exclusively Automobile)

	1946	1945
Assets	\$126,725,679	\$114,864,356
Surplus to policyholders	41,383,825	42,704,101

## EXCLUSIVELY AUTOMOBILE RECIPROCAL & LLOYDS

	1946	1945
Assets	\$78,791,607	\$70,652,316
Surplus to policyholders	23,542,115	25,598,489
Net premiums written	70,267,074	52,055,271
Losses paid including adjusting expenses	39,335,306	28,303,239
Ratio of losses paid to net premiums written	60.0	54.4

## CLASSIFICATION OF TOTAL RECIPROCAL AND LLOYDS BUSINESS

	1946	1945
Net Premiums Written	12,418,815	10,002,013
Losses & Adj. Exp. Paid	5,316,202	3,912,056
%	42.8	39.1
Auto fire, theft, etc.	\$2,722,269	\$1,062,222
Auto collision	21,908,321	16,964,877
Auto liability	12,422,249	8,934,393
Auto prop. dam.	74,471,654	54,965,105
Total auto	74,471,654	54,965,105
A. & H. incl. hosp.	730,964	46,227
Burglary	251,915	233,247
Fidelity & surety	1,102,612	278,306
Glass	8,608	4,076
Liabil. (not auto)	3,049,469	894,722
Live stock	285,018	30,700
P. D. & Coll. (not auto)	943,209	248,726
Workmen's comp.	14,450,407	7,372,989
Fire lines written	1,032,648	271,893
*Miscellaneous	1,022,151	542,192
Grand Total	\$97,348,655	\$49,473,749

\*Includes total premiums and losses of companies not segregating lines.





## "LIFE INSURANCE IS A FINE THING, BUT—

much as I'd like to have a lot of it to make sure that my family could carry on without me, I can't afford to put out so much money at this time."



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### *The Travelers*

INSURANCE COMPANY

HARTFORD, CONNECTICUT

## Fair Trade Practices Bill Important in A. & H. Field

The importance in the accident and health field of the fair trade practices act proposed by the N.A.I.C. and considered by many legislatures this year, as well as the general accident and health regulatory measure approved by the commissioners, was brought out by Raymond F. Killion, assistant to L. K. Farrell, third vice-president in charge of the accident and health division of Metropolitan Life. He spoke on "Public Law 15 and Its Relation to Accident and Health Insurance" at the sales congress at St. Louis sponsored by the Accident & Health Underwriters Assn. there and the national association.

That bill, Mr. Killion said, follows the pattern of the federal trade commission act, with the important difference that certain practices known to be unfair and deceptive are defined in the law. Several of these have been the subject of especial criticism in the accident-health field.

Defined in the proposed law as unfair and deceptive practices are: misrepresentation of policy contracts including

misrepresentation for the purpose of inducing surrender of a policy; circulating false information with respect to the business of insurance; boycott, coercion and intimidation; issuing false financial statements or making false entries in any book or report; unfair discrimination between individuals of the same class; rebating.

### A. & H. Rate Regulation

Mr. Killion reviewed the S.E.U.A. case, the various federal statutes brought into effect in the insurance field by that decision and the passage of PL 15. In connection with the development of rate regulation, he said there was "complete agreement" that the public interest would suffer by the inclusion of accident and health in the fixed pattern of the casualty rating bill.

"A small but important group of companies" which had "joined together to develop advisory underwriting procedures and premium rates," plugged for some form of rate regulation, he said, but "other interests representing the

greater part of the business felt that rate regulation was neither necessary nor desirable." Therefore, "with the long range interest of the business in mind," companies which had used uniform procedures and rates "have adjusted their basis of operation to avoid any possible conflict with the anti-trust laws."

### Commissioners' Contentions

Under these conditions, it was argued that under PL 15 no legislation whatever was needed on accident and health insurance. The commissioners' committee, however, did not agree with that view. They alleged that free competition in accident-health had not prevented in some cases the sale of an inferior product at excessive rates. They also raised the questions of misleading advertising and misrepresentation of policy forms even though those topics were to be covered in the fair trade practices bill.

The regulatory bill finally agreed upon goes farther than any previous legislation in giving the power to disapprove policy forms. However, under it the business will continue on a full competitive basis, subject to regulation and supervision by the states.

Mr. Killion said that accident and health insurance may profit greatly by the adoption of these two bills in the various legislatures. "Public confidence to an increased degree is needed in the accident and health business," he said. "A business conducted strictly within the principles of the proposed legislation will produce that confidence."

### Mental Attitude First

R. B. Smith, Great Northern Life, Oklahoma City, National association president, who was the first speaker at the congress, reviewed accident and health developments, both in the association field and elsewhere.

Gilbert H. Knight, Federal Life & Casualty, Cleveland, first vice-president of the National association, declared that efficient selling depends at least 90% upon the agent and his mental attitude, which is much more important than the "know how." He urged that all agents take stock of themselves, to strengthen the good traits which lead to success and to check and eradicate the weaknesses that lead to failure.

Among the essential traits which he said an insurance man must have if he is to be outstanding in his field, he listed ambition—"let nothing stop you from reaching the goal you have set;" industry—"get really interested in your work, make it a daily habit;" perseverance—"the difference between outstanding success or dismal failure;" planning ability—"know where you are going and how to get there;" a positive instead of a negative attitude—"he can, who thinks he can;" initiative—"be a self-starter;" enthusiasm, knowledge, courage, honesty, self-management.

Mr. Knight declared that many years as a salesman, teacher and trainer of salesmen have convinced him that cleverness and ability weigh but little against the sounder qualifications of character and a correct mental attitude. "If you develop the essential traits mentioned in this talk you will quickly learn the 'know how' or technique of successful selling, but knowing how without possessing these character traits will mean nothing, because you will never put your knowledge to full practical use."

### Selling Larger Buyers More

The importance of the "larger buyer" market, not the top-notchers, but men with normal incomes of \$5,000 or more; the best way to get in to see these men, with especial emphasis on the use of pre-approach material, and suggestions as to methods for "prospecting upward" was brought out by George J. Richards, Monarch Life, president of the Hartford association and member of the National association executive board.

Men in this class whose incomes are derived from personal service, doctors,

dentists, lawyers, accountants, etc., lose their entire income when they are not on the job but have office expenses which continue just the same during a period of disability along with their regular home expenses. Some of these men are satisfied with a \$200 a month contract when they really need \$600 to \$800.

Business owners, executives and higher department heads whose salaries would continue for probably six months to a year say they would not experience any financial difficulty in case of disability. If the owner of a business could leave that business for six months without showing any loss of profits, he wouldn't be in there pitching every day. Further, he would have to hire someone to take his place.

Many men in both of these classes may have substantial cash or investment reserves that could be used to take care of disability expenses but these are likely to be wiped out entirely. Moreover, those dollars that are being spent are 100-cent dollars, while an "increased income plan" in the form of accident and health insurance can be purchased for 3 or 4 cents on the dollar.

Such prospects have erected barriers around them that can best be surmounted through the use of pre-approach material, Mr. Richards said. He would have such material stress special features of coverage but make no mention of premium. If the prospect's interest is aroused, the price angle may be the basis on which a personal contact can be made.

S. E. McCreless, president American Hospital & Life, spoke at the dinner on "Clicking Contingency Reserves." He said insurance companies build reserves for future needs, to meet unpredictable contingencies and an agent must likewise build contingency reserves, "by his faith in the product that he offers for the protection of his clients; by his honesty and sincerity; by his truthfulness in presenting the facts about his policies and the services they provide, and by his loyalty to his company."

### RFC Makes Official Statement as to Loan

WASHINGTON—Completion of arrangements has been announced by RFC under which it will "extend financial assistance" to Preferred Accident "to the extent of \$3 million on the basis of the senior non-assessable preferred stock of that company," according to the official statement.

This assistance will be a loan of \$3 million, secured principally by the company's preferred stock, which loan "was authorized by RFC at the request of the Secretary of the Treasury and with the approval of the President in accordance with the act of June 10, 1933," the announcement stated.

"With the fresh capital and the capable management which have been provided, it is believed that Preferred Accident Insurance Co. will have continued public confidence," the RFC statement declared.

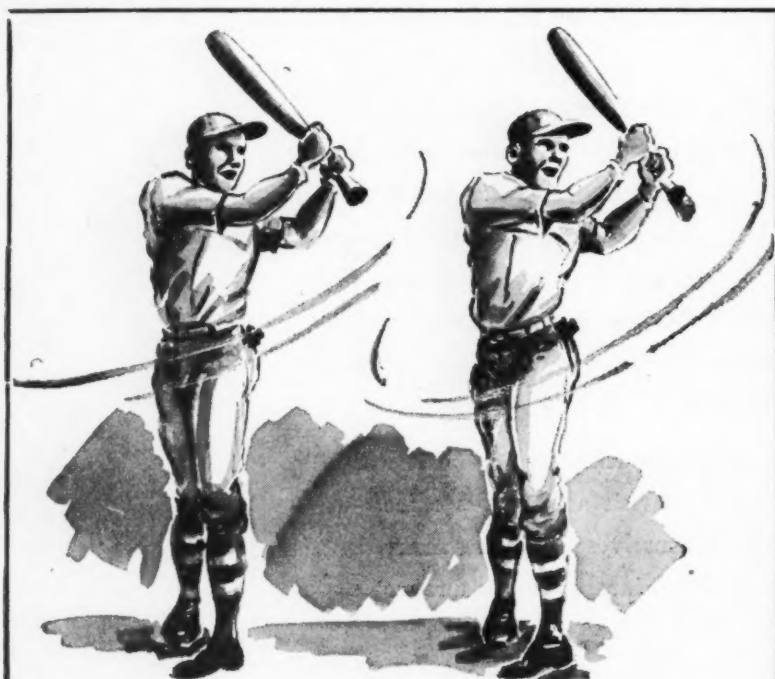
### High Court Denies Review

WASHINGTON—The U. S. Supreme Court Monday denied certiorari in 1157, Standard Surety & Casualty vs. Plantsville National Bank and Federal Deposit Insurance Corp.

The court acted after receiving a brief from F.D.I.C. opposing petition for certiorari and reply of Standard to that brief. F.D.I.C. said the Standard Surety bond in a construction project involved was two-thirds reinsured, but the company failed to show the extent to which it was reimbursed by co-sureties or whether damages were claimed on behalf of itself and co-sureties.

The court granted certiorari in No. 1064, Federal Crop Insurance Corp. vs. Merrill, which was ordered transferred to the summary docket.

Robert Green of the Seattle police department spoke at a dinner meeting of the Seattle Blue Goose.



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## BRIGHT FUTURE AHEAD

## Air Cover Premiums May Hit \$120 Millions in 1955

Jimmy Doolittle has expressed the opinion that in 1955, or eight years from now, there will be 1,500,000 licensed pilots in the United States, and 400,000 licensed airplanes. At approximately \$300 per aircraft, this will mean \$120 million in aviation premiums per year, and at that figure the aviation insurance will be a big business, James R. Graham, eastern manager of United States Aviation Underwriters, said in discussing aviation insurance at the Suburban Agents Assn. educational conference in New York. If aviation insurance reaches one-third or even one-fourth of the aggregate automobile premium, it will be well on its way, he said.



J. R. Graham

United States Aviation Underwriters, said in discussing aviation insurance at the Suburban Agents Assn. educational conference in New York. If aviation insurance reaches one-third or even one-fourth of the aggregate automobile premium, it will be well on its way, he said.

## 190,000 Licensed Pilots

Today there are 190,000 licensed pilots, and Mr. Graham expressed the belief that under normal conditions the business can look for a tremendous upsurge in premiums.

The business still is one of large liabilities and small spread, he pointed out. The new Constellation represents an insurance risk of \$6½ million. That is a big catastrophe exposure. Yet on occasion there are 10 of these in the air at the same time.

The companies did not make money in 1946, but they have made some

money over the years, he commented. Last year aviation premiums totaled a little over \$25 million on 85,500 airplanes. This is an average of about \$300 per plane.

It behooves the agent to become familiar enough with aviation insurance at least to protect his other business with insured who has aviation insurance problems, Mr. Graham said.

## Can Start with Accident

The agents who are doing a good business in aviation are the ones with a deep interest in the industry. In the future this business will spread. Many agents get buck-fever when they think about going out after aviation premiums. The easiest way to start is via air travel insurance. With the increase in the number of passengers on airlines there has been a tremendous market created for aviation accident coverage. The agent can supply his clients with such insurance worldwide for \$1.40 per \$1,000 per year, and medical reimbursement can be included. This is on American airlines. If travel on foreign lines is included, an extra \$2.40 per \$1,000 is charged. Certain airlines are excepted. Protection can be purchased up to \$100,000.

How do companies arrive at the value of an ex-military aircraft, Mr. Graham was asked.

He replied that if the War Assets Administration tossed 5,000 Cadillacs on the market which, new, cost \$4,000, but which the WAA is selling for \$400, how much insurance would the agent place on the car and how far would the company go along with him at

\$1,500 of insurance per vehicle?

The trouble is, he said, that a moral risk is created. Also, the company is going to lose on partial losses.

Aviation insurers insure aircraft on a component parts basis. Here is a \$9,000 Fairchild airplane, sold for \$800. The \$800 is divided up on a component parts basis and cash is paid for partial losses. In other words, so much of the \$800 is scheduled for a wing, so much for another part, and so on. Otherwise the insurer could have the loss of all that he insured several times a year and get premium for only \$800 worth of insurance.

Another agent said that the Reynolds' plane was purchased for \$7,000 but that it cost \$225,000 new. About \$20,000 was spent on modifications. This is the plane that flew around the world and broke Howard Hughes' record.

On DC-3s, many of which were sold by the government as surplus for \$20,000, those who purchased them spent as much as \$40,000. The rate at which they are being written is loaded to offset the loss in premium that comes from reduction in insured amount and to insure ability to pay losses of a partial nature.

## Get Some Reinsurance

Mr. Graham said that the American aviation insurance market now is beginning to get some reinsurance from foreign airline sources. More of it is coming this way. This is a development of the last year or two. Less than 12% of American aviation premiums go to London in the form of reinsurance, he said.

How is the rate determined on passenger liability for the airlines?

Mr. Graham said that the rate is per passenger mile traveled. In other words, if an airline plane deadheads from New York to Chicago, there is no passenger liability premium charged.

How is the rate figured for the flying done by an aircraft dealer or airport operator?

He pays so much per hour of flight, Mr. Graham said. This is on a basis of monthly report, and these monthly reports have been grossly abused, he declared. As an example, he quoted a note written by an insured to his agent, which the agent inadvertently left on a report sent to the company. The insured had written his agent: "You will note that I have followed your suggestion and have forgotten most of the hours flown."

## Competitive Market

A number of individual companies have entered the aviation insurance field in recent years, Mr. Graham said, and for some 18 months they had a field day. However, four of these companies have retired from the aviation business. There are presently about 10 companies other than the groups that write aviation insurance business.

Why should insurance on seaplanes cost more than on land planes?

Mr. Graham replied that this extra cost, about 50 cents per \$100, is because the pilot has to be a sailor as well as a pilot. Mooring damage can be and often is severe. The increased premium is based on the experience the companies have had with seaplanes.

Mr. Graham emphasized the market for aviation accident insurance. He urged agents to canvass their own list of insured, to get an application or circular to insured so that he will know this insurance is available at the agent's office. Otherwise, some other agent is going to get there first. He said his firm gets applications constantly from persons who have picked up or found aviation accident applications. There is no agent or broker designated. The office then has to write the insured to find out what broker or agent he would like to have get the business.

Those in the aviation insurance industry always have figured that a little less than 30% of aircraft was insured. However, a recent survey of 10,000 plane owners disclosed that 62½% of them carried insurance of one kind or

another. This is higher than the percentage of automobiles insured. A lot of it is due to the fact that so high a proportion of planes are financed, Mr. Graham suggested.

So far the aviation markets have had little arson to contend with, but there may be more of this now that prices are going down, Mr. Graham said.

In response to a question, he said that the aviation markets are constantly getting subrogation actions from extended cover insurers that have paid aircraft damage losses under their protection.

Asked about 1946 experience, Mr. Graham said that it was 93.5% on new planes delivered new in 1946, 143% on private planes, but only about 38% on industrial aid planes.

He said, responding to another agent's query, that the rating of airports could possibly be improved over the present method, though the suggestion that the markets go to a payroll basis is not, apparently, going to work out too well.

## Maine Commissioner Appointment Held Up

The appointment of a new insurance commissioner in Maine is reported to be stalemated. Many of the insurance interests are strongly urging appointment of Guy Whitten, who is now the deputy commissioner, but it is understood Gov. Hildreth wants a young Portland attorney. The appointment must be ratified by the governor's council and so far Gov. Hildreth has not submitted a nomination. The vacancy occurs because Alfred W. Perkins resigned to join Union Mutual Life.

## Limit Blue Cross Exemptions

LANSING, MICH.—Elimination of some of the statutory privileges of so-called "hospital service" organizations such as the Blue Cross plan is sought in a bill introduced in the Michigan house.

It would strike from the law permission for service contracts to provide that, if contract hospitals are unable to accommodate a subscriber, emergency service may be provided in non-contract hospitals. A number of Michigan hospitals have withdrawn from the Blue Cross, contending that they were taking a loss on each Blue Cross patient and that this was placing a discriminatory financial burden on other patients. The bill also would limit a permissible contract clause, allowing service associations to make cash payments for home treatment and care if their hospitals cannot provide facilities, to a year's contributions by the affected subscriber. The measure is expected to arouse considerable controversy, as the Blue Cross has shown considerable legislative strength in the past.

## Sets Election Aside

WASHINGTON—Indicating it will direct a new election to determine whether certain employees of Massachusetts Bonding wish to be represented in collective bargaining by United Office & Professional Workers of America, (CIO), national labor relations board has set aside the results of an election among them held Jan. 24.

That election showed that of 593 valid votes cast, 160 were for the union and 433 against it, with 19 challenged ballots. The union objected, alleging employer interference with the free choice of a bargaining agent. The labor board's regional director found that the company "by granting a wage increase Dec. 6, 1946, and by referring to such increase in a letter mailed by the employer to the employees two days before the election, which letter contained an implied promise of an additional increase," interfered with the employees' free choice. The board adopted his recommendation that the election be set aside. A new election will be directed, NLRB said, "when the regional director advises us that the time is appropriate."

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## Hartford Accident Official Carries Torch for Industry

### Asks Cooperation of New England Solons at Washington Dinner

Wilson C. Jainsen, vice-president of Hartford Accident, in a speech at the "All New England Dinner" at Washington, called insurance indispensable in peace and in war. It provides funds for



W. C. Jainsen

The dinner, given under the auspices of New England Council and New England Chamber of Commerce, was attended by members of the New England delegation in Congress.

Declaring the operation of insurance at Texas City as a spectacular example of insurance at work, Mr. Jainsen said:

"Quietly and efficiently, insurance started to function in the devastated area. Life, casualty, fire, marine and accident insurance are all involved. Widows will be provided support that will continue for years. The maimed and injured will be provided with medical attention and disability insurance. Homes will be rebuilt. Factories will be replaced; ships and their cargoes will be paid for," he declared.

Insurance money is active money, he observed. It makes jobs, supports industrial and utilities expansion; it provides mortgage money for building. Insurance money is loaned to municipalities, counties, states, and to the U. S. government.

He outlined the extent of insurance operations in New England and spoke of the tax benefits to the states.

Insurance, he declared, can never be a monopoly, for it is not predicated upon the control of any particular commodity or facility, nor is it based upon any exclusive franchise.

#### Remarkable Field of Choice

The citizen has a remarkable choice in the general insurance fields. He can not only choose as between types of companies, but he will find a variation in price, coverage and service that will convince him insurance is as competitive as his grocery or department stores.

He reviewed the P.L. 15 situation and declared that policyholders will be best served by legislation "that carries out the sound, wholesome practices that have been evolved out of years of hard experience."

"Admittedly," he said, "supervision of the industry is desirable and necessary but nothing can give the public the service it deserves but the voluntary, self-discipline of good management which we believe is an attribute of New England industry. No legislation intended to supervise can usurp management. The legislators in their understandable de-

(CONTINUED ON PAGE 32)

## State Cash Sickness Plans Aired for Agents

### Cal., N. J., R. I. Situations Scanned at N.A.I.A. Gathering

Valuable ideas in the realm of state cash sickness plans with special reference to situations in California, Rhode Island and New Jersey, were given at a luncheon session at Oklahoma City during the mid-year convention of National Assn. of Insurance Agents. John C. Conklin of Hackensack, N. J., presided; George W. Kemper, A. & H. manager of Fireman's Fund Indemnity, outlined the California situation, and Carleton Fisher of Providence gave an insight into the Rhode Island problem.

Mr. Conklin had just received news that the Brescher bill, providing cash sickness benefits similar to the California pattern, lost out in the closing hours of the New Jersey legislature. The New Jersey insurance interests combined their influence and engaged in a lot of hard work to "lick" the scheme, he said.

The implications of cash sickness plans, he declared, are such that they could pave the way for monopolistic workmen's compensation state funds.

Mr. Kemper reported that in California all interests have agreed on a legislative proposal to increase the benefits from \$20 to \$25 a week. Also a plan for taking care of what he called the "net extended liability" has been deter-

mined upon. This is the problem of payments to those that are taken sick after they leave employment but are still entitled to payments. Uncertainties on this score have prevented the casualty companies, as a whole, from going into the field, he said. Under the new setup, the net extended liability would be paid by the state from the interest on the state disability fund. If this interest factor should prove insufficient the difference would be made up by an assessment of .02% on employers' contributions.

Because of the fact that a private plan must provide benefits that are more generous than those of the state fund, a confused competitive situation has developed, he said. For instance, some of the private plans provide \$20 a week, some \$28, some \$30. The employees in different concerns, all of whom pay the same premium become dissatisfied when they learn about the difference in benefits. Labor organizations are insisting that they must approve any policy form that is issued. Insurance producers are confused, Mr. Kemper stated.

#### Private Plans Gain

Nevertheless, the private plans are gaining much headway. It was originally estimated that by the end of 1947, private voluntary plans would be covering 25% of the workers. At April 15 there were 6,151 approved voluntary plans covering 468,000 employees or 20% of the total. The voluntary idea is gaining ground more rapidly than was expected.

The percentage of covered females is less than was expected. The estimate was 35%, whereas in voluntary plans the ratio is 20% and in the state fund it is 27.

The life insurance companies, he said, tried to apply group writing principles and to furnish individual assured with certificates. If this practice were continued, transient workers would have a "slew" of certificates in no time, he said.

(CONTINUED ON PAGE 32)

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## CHANGES IN CASUALTY FIELD

### American Casualty Makes Hill V. P.

READING—Reese F. Hill, who has been assistant to the president of American Casualty here since leaving the army early in 1946, has been promoted to vice-president in charge of underwriting. J. A. Krug, assistant secretary, who has been in charge of the aviation department, will assist him, and J. F. Herbert, A. B. B. Carpenter and J. C. Hafer are now supervising underwriters.



Reese F. Hill

Mr. Hill became known to insurance men during the war as chief of the war department's insurance division, which he established and in which he rose from first lieutenant to full colonel. He was with Fidelity & Casualty in various underwriting positions before the war.

W. C. Eaton, former liability underwriting manager, has left American Casualty to assume the management of Pioneer Equitable.

### Egan Enters Agency End: Schmidt Successor

MILWAUKEE—Thomas G. Egan has resigned as superintendent of the bond department of the Milwaukee office of U. S. F. & G. and has joined the Henry Gollusch & Son agency as bond department manager. The agency represents American Casualty. Mr. Egan was connected with U. S. F. & G. for 10 years, the last five as surety department manager. He succeeds Emil F. Halkey in the agency.

Chester F. Schmidt has been named to succeed Mr. Egan by U. S. F. & G. He has been in the bond claim department of the Milwaukee office for about 15 years and was in military service for a period in the war.

### Joins Eagle-Globe-Royal

George Charlan, who has been with Bailey, Martin & Fay, has been appointed superintendent of the bonding department of the Eagle-Globe-Royal group at Los Angeles.

### Izard Continental F. & C. Secretary

Stanley W. Izard has been elected secretary and treasurer of Continental Fire & Casualty, where he will be in charge of the accounting department formerly headed by J. G. Vaughan.

Mr. Izard began his insurance career in 1914 with Employers Reinsurance, then Employers Indemnity, as assistant auditor. He became auditor in 1919 and secretary in 1925. He resigned from Employers in 1938 to manage the Dallas office of Lloyds Guarantee Assurance. When the company was sold to other interests he joined the engineering corps as a civilian employee to handle insurance problems of cost-plus contractors under the War Department insurance rating plan. Later, he supervised cost accounting on military construction projects in the Omaha district.

Released from the engineers in December, 1945, Mr. Izard returned to Dallas where he engaged in special insurance company investigations. Last April, he went to Atlanta to assist in the organization of a new casualty company. He left this project to join Continental Fire & Casualty.

### Swallow Is Promoted by Employers Group in East

Employers group has appointed Raymond W. Swallow manager of the central New York service department, with headquarters at 506 City Bank building, Syracuse.

Mr. Swallow before and after war service has had several years' experience as special agent in the Syracuse territory for the group.

### Joins Traders & General

Howard Homan, formerly with Walter Zener Adjustment Co., Denver, is now with Traders & General as special agent and adjuster.

### Neeley Underwriting Chief

Ogden H. Neeley has been appointed underwriting manager of Guarantee of Los Angeles. He formerly was with Pacific Indemnity.

The Assn. of Insurance Women of Kansas City held a buffet dinner and benefit card party. The nominating committee reported a slate of candidates.

## ACCIDENT

### May Have Canadian Course

There is a strong possibility that for the first time a Canadian university will offer a course in accident and health insurance. Earl Putman, president of Canada Health & Accident, has approached Russell T. Kelley, Ontario minister of health, and officials of McMaster university at Hamilton. Both are reported to have expressed interest in the establishment of a new extension course. If inaugurated, it is expected to be carried on in conjunction with the courses sponsored by the National Assn. of Accident & Health Underwriters in the U. S.

### Permit Payroll Deduction

WAUSAU, WIS.—The Marathon county board of supervisors reversed a previous action and voted to permit county employees who decide to sign up for prepaid medical and surgical insurance plans, such as Blue Cross, to have the monthly premiums deducted from their regular paychecks, with the county clerk paying the gross premium.

### Moose Arcadia Treasurer

Arcadia National of Chicago has appointed Frank X. Moose as treasurer and he has been elected a director. For the past five years he has been treasurer of Sterling of Chicago. Prior to that he was, for 10 years, assistant chief examiner of the Illinois department. He attended St. Louis University.

### Inter-Ocean Honors Scherr

Agents of Inter-Ocean are dedicating their sales effort in May to Chairman J. W. Scherr, whose birthday is May 6.

This is a traditional Inter-Ocean event, the month having been set aside in Mr. Scherr's honor for many years while he served as president. President's Month is now observed in September in honor of W. G. Alpaugh.

### Higdon Wichita Speaker

The Wichita Assn. of Accident & Health Underwriters met April 29, with J. C. Higdon, Kansas City, president of Business Men's Assurance as guest speaker.

George W. Kemper, A. & H. manager of Fireman's Fund Indemnity, while at Oklahoma City to address the N.A.I.A. convention, did double duty and appeared at a luncheon meeting of Oklahoma A. & H. Assn.

## ASSOCIATIONS

### Expect 800 at K. C. Sales Congress

The Casualty & Surety Underwriters Assn. of Kansas City will hold its annual casualty and fidelity sales congress May 5 at the Municipal Auditorium. President J. M. Downey, Aetna Casualty, estimates that between 700 and 800 will attend. There are seven speakers lined up for the event.

Speakers for the morning program are: Thomas N. Boate, special service director of National Conservation Bureau, on "Traffic Control and Highway Safety"; Francis W. Potter, field supervisor Aetna Casualty, on "Comprehensive Liability"; T. J. Ternan, Jr., agency department F. & D., on "Comprehensive DDD."

In the afternoon speakers will be Albert E. Spottke, secretary National Bureau of Casualty & Surety Underwriters, on "Automobile Picture for 1947"; Max L. Staley, Brown-Gimbel & Co., Wichita, "Insurance Analysis and Surveys"; E. R. Hurd, Jr., advertising manager American-Associated group, on "Practical Approach to Agency Advertising"; and Jeff H. Williams of Chickasha, Okla., on "What's A'Cookin'?"

### Paper by Yaudes Is Read

MILWAUKEE—A paper setting forth problems and complaints that are most frequently submitted to the Wisconsin department, prepared by Lloyd Yaudes, chief casualty examiner, was presented at the monthly luncheon meeting of the Casualty Adjusters Assn. of Wisconsin. Mr. Yaudes was detained from attending by last minute developments, but the paper was read and those present commented on it. Secretary R. S. Watson was asked to respond to the communication from Mr. Yaudes.

Pending bills in the legislature were discussed, and also the handling of property damage claims under the present high cost of parts and increased wages for mechanics.

### Plan Los Angeles Forum

LOS ANGELES—The Casualty Insurance Adjusters Assn. of Southern California decided to hold a forum at its next meeting dealing with problems of adjustment other than the legal aspects. Wesley Kitts, Hartford Accident, will be moderator, with Harold Thomas, American-Associated companies, Joe Hook, Ohio Casualty, and one other composing the panel. A second meeting in May also will be a forum, dealing only with legal questions.

District Attorney Simpson of Los Angeles county told of activities of his office.

The Casualty Adjusters Assn. of Seattle will hold its annual party May 16.

### Hall Traces Benefits from Employee Suggestion System

The employee suggestion system with its high average of favorable results represents a good investment for American business, Charles H. Hall, secretary of American Surety said in addressing the New England regional conference of the National Assn. of Suggestion Systems in Boston. He said that such a system pays dividends in dollar savings, improved service and procedure, and in helping to maintain good employee relations.

Mr. Hall, who is supervising an employee suggestion system for American Surety, said that in the five years since the program was instituted one out of every three suggestions had been accepted. The minimum award is \$10 per suggestion.

He reported that the preponderance of suggestions deal with the revision, consolidation and standardization of forms.



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**TRINITY UNIVERSAL INSURANCE Co.**

DALLAS, TEXAS • EDWARD T. HARRISON, President

### Quoting Per Man

Some of the producers can the prospective stages, any employees. ately raise coverage and to tel for class that such quence. Such p premium, of employ a man a cent a we pany will

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## SURETY

### Quoting Fidelity Cost on Per Man Basis Effective

Some of the successful fidelity producers carefully avoid bringing up with the prospect, at least in the early stages, any reference to class A, B or C employees. They feel that this immediately raises questions foreign to the coverage in the minds of the employer and to tell him that there is no charge for class C employees makes him feel that such protection is of no consequence.

Such producers calculate the entire premium, divided by the total number of employees and say that for 30 cents a man a year, or perhaps even for 1/2 cent a week per man, the surety company will guarantee their honesty.

### Attack Brewing on Tex. Fidelity-Surety Rate Setup

Texas agents have heard the report that one of the prominent independent fidelity-surety companies is preparing to attack the new fidelity-surety rate setup in the state whereunder all must charge the same rate and no deviations are permitted. It is understood this insurer has employed counsel and the fireworks may soon be touched off.

### New Milwaukee Officers

MILWAUKEE—Thomas F. Eader, Travelers Indemnity, is the new president of the Surety Underwriters Assn. of Milwaukee, elected at the annual meeting. He succeeds Thomas G. Egan, U. S. F. & G., who has just joined the Gollusch agency. Thomas F. Graham, Fidelity & Casualty, becomes vice-president and H. M. Bloodgood, Fidelity & Deposit, secretary-treasurer.

Named to the executive committee are Charles Meyers, Metropolitan Casualty; Henry Lamp, Continental Casualty, and Thomas W. Rogers, American Surety.

Plans were discussed for the annual joint golf outing here of the Chicago and Milwaukee associations this summer, and announcement of the place and date will follow.

### Speaks on Defalcations

L. W. Zuttermeister, Globe Indemnity, Chicago, spoke on "Defalcations" at a dinner meeting of the Milwaukee Conference of Bank Auditors & Controllers.

## COMPANIES

### Preferred Automobile Ups Capital, Plans Expansion

GRAND RAPIDS—Stockholders of the Preferred Automobile, have approved an increase in capitalization from \$250,000 to \$450,000.

As soon as approval is obtained from Commissioner Forbes, preferred and common stock will be offered to bring the capital and surplus of the company up to more than \$1 million, Edward Kuiper, president, said.

Mr. Kuiper said the additional capital is to be used for an expansion of the company's operations, disclosing plans to open offices at Chicago and Los Angeles. Sales for the initial quarter of 1947, Kuiper said, were 40% ahead of 1946 despite higher premium rates.

John H. Belknap, local insurance man, was elected a director.

### Seaboard Surety Gets License in Idaho

NEW YORK—Seaboard Surety has been licensed in Idaho. It has applications pending in Arkansas and New

Mexico and when licenses are issued there the company will have authority to do business in all states and District of Columbia.

### Broaden Conn. Ind. Charter

HARTFORD—A measure passed by the Connecticut legislature allows changes in the charter of Connecticut Indemnity so that it may write fire and marine lines.

### Ohio Cas. Stock Dividend

Ohio Casualty declared a 25% stock dividend following approval by stockholders of an increase in capital to \$1,500,000 from \$1,200,000.

Preferred Casualty Assn. a new reciprocal of Seattle, has been licensed in Washington.

Protective Mutual Casualty has been incorporated at St. Louis.

## PERSONALS

The staff of Royal Exchange presented John P. Bolten, branch secretary of Car & General, with a three-way Philco portable radio set and a silver pen and pencil set on his 25th service anniversary. He joined State Assurance of the Royal Exchange group in 1922 as accountant. In 1930 he was transferred to Car & General and in 1938 was appointed branch secretary.

F. W. Braun, vice-president and chief engineer of Employers Mutual Liability, Wausau, Wis., accepts invitations to attend safety meetings whenever possible, but he had to turn down one bid recently. It came from the Commissaire General de l'Oeuvre pour la Securite et l'Organisation des Secours, urging him to attend a French National Safety Week session in Paris June 16-21.

Lytle W. Gosling, head of the prominent agency bearing his name at San Antonio, is now back on the job after having been away on account of illness about six weeks. He had hoped to be able to attend the N.A.I.A. meeting at Oklahoma City, but his doctor counseled against it.

Ralph L. Hoffee of the United States Casualty branch staff in Chicago was elected a village trustee at Arlington Heights, Ill., in the recent election. He was a candidate of the "New Progressive" party which won by more than two to one.

John H. Nolan, Newark manager of Aetna Casualty, a former president of the Casualty Underwriters Assn. of New Jersey, is recuperating at his home in West Orange, N. J., after a serious operation.

Henry K. Evans, director of the traffic engineering division of National Conservation Bureau, has been elected president of New York division, Institute of Traffic Engineers.

Ariel C. Harris, Pacific Coast manager of Aero Insurance Underwriters, is confined to his home by a heart attack. He will be absent from his office for some weeks.

R. N. Allen, assistant superintendent of agencies of Travelers Indemnity, is on a Pacific Coast trip.

## DEATHS

Herbert W. Hovey, 68, of Belmont, Mass., vice-president Massachusetts Bonding for the last 10 years, dropped dead in his office Friday. In 1911 he entered the employ of American Fidelity at Montpelier, Vt. He transferred the next year to the New York office and went to Boston in 1914 with Massachusetts Bonding.

He was born in Waterford, Vt., was

graduated from St. Johnsbury Academy, received the A.B. degree from Dartmouth in 1901 and the law degree from Boston University law school, after which he practiced in St. Johnsbury, Vt., from 1903 to 1911.

Frederick L. Thielman, trial attorney for Maryland Casualty for 23 years and since 1941 its assistant counsel at New York, died suddenly. He gained distinction in negligence litigation in New York and the company considered him one of its outstanding trial counsel. Following his death, two New York supreme court justices paid tribute to him from the bench.

Roger C. Burt, claims attorney for American Casualty, died at his home in Cleveland. Mr. Burt, who had supervised claims in Ohio for American Casualty since 1938, was on leave of absence following a serious operation last fall.

### Public Apathy Blocks Reform

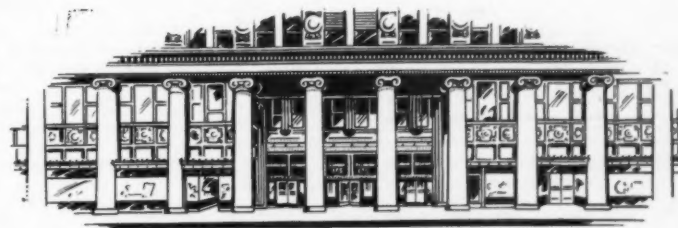
Engineering science has the solution to traffic problems, but public apathy has retarded application of technical skills which could eliminate accidents and traffic delays, Henry K. Evans, director of the traffic engineering division of National Conservation Bureau, said in a speech before the municipal engineers of the City of New York. Mr. Evans described recent developments in traffic control which have been installed in various cities to cut down traffic congestion and eliminate accidents.

### Seek P. D. Raise in Tenn.

NASHVILLE—A 30% increase in auto property damage rates has been filed in Tennessee. It is estimated that this would average about \$2.40. No change in liability rates has been requested.

## A. F. SHAW & COMPANY Inc.

### INSURANCE



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LLOYD'S OF LONDON

Inquiries invited from Agents and Brokers, for types of Insurance of a Special Character, throughout the world, not easily obtainable from regular Licensed Insurers.

### PROSPECTS FOR INSURANCE

### "TWIN INSURANCE"

More proposals for TWIN INSURANCE have been received during the past twelve months, than during any previous year.

The below copy of letter from a Policy Holder may be interesting.

A. F. Shaw & Company, Inc.,  
175 W. Jackson Blvd.,  
Chicago, Illinois  
Gentlemen:

Thank you for Loss Draft in settlement of claim under Lloyd's Policy, which you arranged at my request, insuring payment in event of birth of twins.

Twins were recently born to my wife and your remittance in full settlement of the amount of insurance has been received within five days from the date of filing the claim.

Less than two years ago, my wife gave birth to our first twins and on the recent arrival of our second pair, the insurance payment is welcome.

Incidentally, I believe this is the first "gamble" I have entered into and came out winner.

Yours very truly,

Information Given on Request.

## Sickness Plans Aired for Agents

(CONTINUED FROM PAGE 29)

Mr. Kemper declared that he is optimistic and that the California scheme opens up new fields that can be lucrative and lead into other business.

### Wants No Copiers of R. I.

Rhode Island is the only state that has a cash sickness plan with a monopolistic state fund, and Mr. Fisher said that many other states have investigated the Rhode Island setup and he expressed the hope that it will be copied nowhere else. He recalled that the law was sponsored by Howard McGrath who was then governor of Rhode Island and, who, incidentally, owns an interest in an insurance agency that was founded by his father. Mr. McGrath is now U. S. Senator. He espoused the plan because he felt that there was too much concentration in Washington. No one spoke against it, there was no accident and health association in Rhode Island and the Rhode Island Assn. of Insurance Agents was not interested. Since this law became effective, he declared, group accident and health insurance has been abolished in Rhode Island. He expressed the belief that the group companies were to blame for permitting this law to be put over without a battle.

The effect on workmen's compensation business has been disastrous, he said. The rates have been driven up so that now they are 250% of those in Massachusetts and Connecticut. At first the cash sickness benefit law excluded

occupational accidents, but the next year it was amended to provide dual benefits—an employee could recover under both workmen's compensation and cash sickness with a maximum of \$20 "comp" and \$18 cash sickness. This resulted in many an employee getting more for staying off the job than he got by working. Malingering became a "fine science" in Rhode Island, he said.

### Says Fund Is Going Bankrupt

The fund is going bankrupt but this did not become apparent early because collections were made for one year before benefit payments were started. The deficit the first year was \$400,000, second year it was \$500,000 and the third year \$1,200,000.

The governor appointed an investigating commission, of which Mr. Fisher was a member. This was a seven man committee, of which four members represented labor. Since the entire cost is paid by the employee, the labor people regard this as their exclusive province and resent opinions of others.

The labor interests would not consent to having the plan restored to a non-occupational basis. They said that since the employee pays the money he should get the benefits. The other than union men on the commission sought to have the maximum recovery from workmen's compensation and cash sickness limited to 75% of the weekly wage and a compromise was finally reached at 90%. However, this is utterly useless, Mr. Fisher said, because 90% of the weekly wage usually exceeds the take-home pay.

There is considerable agitation now to increase maximum recovery for cash sickness from \$18 to \$25 and to extend the recovery period to 26 weeks from 20 1/4 weeks.

### 40 Weeks for Pregnancy

He said under the Rhode Island law it is possible to recover 40 weeks for pregnancy. The benefit year starts April 1. It is possible to recover for 20 weeks just prior to that and 20 weeks thereafter. There is a one week waiting period during each year rather than for each illness. The claimant must be treated by a physician each week and must file a new claim blank each week.

The labor department which administers the workmen's compensation act, and the unemployment commission which operates the cash sickness plan, do not operate in harmony. A worker may be declared fit by the unemployment commission's doctors but rated as entitled to compensation benefits by the labor department's physician. One pays no attention to the other.

The Rhode Island doctors hate this scheme, Mr. Fisher said. They are under constant pressure to sign claim blanks. They are required to certify that the claimant is unable to perform any services for wages. This, more often than not, they are honestly unable to do. They would like to have this changed to a certification merely that the worker is unable to perform his usual duties.

In answer to a question, Mr. Fisher said that the Rhode Island plan has apparently not interfered with the sale of individual disability policies.

Mr. Conklin said that cash sickness schemes should be exclusively a matter for private enterprise. The insurance companies, he declared, could do as good a job in that field as they have done in workmen's compensation.

## Hartford Accident Official Carries Torch for Industry

(CONTINUED FROM PAGE 29)

sire to supervise should always stop short of substituting regulation for management.

"Insurance, privately operated," he said, "has made great strides and brought great stability to the nation and

to our New England; and any attempts to invade the field of management by legislative processes can only result in a costlier, slower and altogether less satisfactory service than our people now enjoy.

"The insurance industry is in a period of transition, always a difficult time, and, in our case, extremely complicated. There are many questions over which honest men can differ."

He concluded by asking lawmakers and the public to extend cooperation to the industry.

## Urge Doctors and Blue Cross to Bury Hatchet

The Blue Cross commission held its midyear meeting at Milwaukee. Maj. Gen. George M. Lull, general manager of American Medical Assn., in an address, implored the doctors and Blue Cross plans to bury the hatchet. Frank E. Smith of Chicago, director of Associated Medical Care Plans, said close cooperation is to be effected between the 40 medical society operated surgical-medical prepaid insurance plans and the 86 Blue Cross plans.

American Medical Assn., Dr. Lull said, is taking steps to make medical and surgical coverage more readily available to rural sections. Human welfare should be the basic motive in the operation of medical and hospital plans. Some hospitals look on the Blue Cross as a means to stabilize their income and protect vested interests while some physicians see in medical care plans a means toward halting state medicine. Directors of some of the prepaid plans are more interested in producing a profitable operation and in enhancing their personal prestige than in serving the public.

Abraham Oseroff, vice-president of Pittsburgh Blue Cross, said considerable abuse is being made of prepaid plans. Some patients are being hospitalized for minor ailments that could be taken care of at home, some are kept in the hospital longer than necessary because they are subscribers. However, he said that the good points of the plans outweigh their disadvantages.

### Commercial Plans Ineligible

Mr. Smith said that medical and surgical care plans that are underwritten by private insurers with medical society sponsorship will not be eligible for membership in Associated Medical Care Plans. That decision was reached last week at a meeting at Chicago.

V. J. Canzano, a CIO official from Providence, said prepaid medical and surgical plans are being offered only because the doctors were forced to do so by the threat of federal compulsory health insurance. Labor believes that its continued support of the Wagner-Murray-Dingell bill may achieve through private enterprise what labor wants in health protection, he declared. He contended there should be standardization of rates and benefits throughout the country in the Blue Cross plans.

The next Blue Cross commission meeting will be at St. Louis.

## Insurance Debate on Air

Debate on the public law 15 situation with particular reference to what if anything should be done in Illinois in the way of legislation, was conducted Sunday evening over station WIND, Chicago, in the Midwest Forum of the Air. Henry Moser, general counsel of Allstate, spoke in advocacy of the all-industry legislation, while T. C. McConnell, attorney for Insurance Brokers Assn. of Illinois, spoke in opposition. He is an advocate of free play of anti-trust forces and is opposed to any insurance rating legislation.

The Minneapolis Insurance Women's Assn. held a business meeting and dinner April 28. Instead of a guest speaker there was a quiz program.

## Ill. Firm Doubles Compensation Coverage on Employees

The A. E. Staley Manufacturing Co. of Decatur, Ill., has announced an increase in its workmen's compensation coverage to provide benefits for occupational accidents far in excess of those required by state laws. The company says its action is believed to be the first of its kind by any American industrial concern.

Under Illinois law, compensation to injured employees varies from 60 to 80% of weekly income, but the maximum income to be considered is \$30 a week. Staley's will use the same percentage base, but will extend maximum income to be considered to \$70 a week. Death and permanent disability payments will be increased in like proportion.

The program will about double benefits under Illinois requirements, and will cost double the present premium. The entire cost will be borne by the company.

Wage increases have made the \$30 figure obsolete, the company comments. For example, Staley hourly employees earn from \$40 to \$70 for a 40-hour week. Maximum compensation in the Illinois act ranges from \$18 for a single man up to \$24 a week for a man with a wife and three children. The new plan takes into consideration earnings up to \$70 a week and provides for benefits of as much as \$56 a week for an employee earning the maximum and who has a wife and three children.

In determining the increased benefit, the amount required by Illinois law is determined first. Weekly earning of the employee is his hourly rate multiplied by 40. Then the benefit under the act is increased by whatever percentage the weekly earning is of \$30. Thus an employee earning \$1.50 an hour or \$60 a week will receive exactly double the legal requirement.

The new plan will start as soon as the policy can be made effective. It will apply to all employees at Staley's plants in Decatur and in Painesville, O., and to all other employees.

The Staley Co. also recently concluded an agreement with the union whereby the company and employees will share the cost of a broadened insurance program covering illness, non-occupational accidents, hospitalization and medical and surgical expenses. Co-operative group life coverage also has been increased.

This announcement is certain to stir up the animals, especially since the Illinois legislature is presently in session and is considering revised compensation benefits. While the Staley news release refers to this as increasing the compensation benefits, it is, of course, more in the nature of group occupational disability coverage. It is not workmen's compensation insurance in the strict sense, because it is not a statutory obligation.

## Nine European Trips to Be Awarded by Farm Bureau Group

A trip to Europe will be awarded each of six agents, a district manager, a field supervisor and a state agent in connection with the annual June Week contest of the Farm Bureau companies, Bowman Doss, agency vice-president, announced. This traditional dedication of the first week in June has been an annual event for the past 19 years, and this year's awards to the highest producing agents are the most outstanding ever to be offered, he said.

Participating in the contest will be the almost 2,300 agents from 12 eastern states and the District of Columbia who represent Farm Bureau Mutual Automobile, Farm Bureau Mutual Fire and Farm Bureau Life, all of Columbus, O.

## WANT ADS

Insurance company has opening for executive in hospitalization.

Must be capable of handling sales force, work with brokers and handle correspondence and detail.

Permanent position with good future. Experience in hospitalization not essential.

Apply giving complete information as to background, education and salary. Address L-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### UNDERWRITING OPPORTUNITIES

Excellent openings for experienced Compensation and Liability Underwriters, also Automobile Underwriters and Rating Clerk with Chicago Western Department of Fireman's Fund Indemnity and Western National Indemnity Companies.

Write giving full details or phone Mr. E. R. Larson for personal interview.

AT35 Insurance Exchange Building—Wabash 4500.

### WANTED

Special Agent for Cleveland, Ohio, and Cuyahoga County. Casualty experience necessary, fire experience helpful. Excellent prospects for capable man. Address Ira L. Morris, The Buckeye Union Casualty Company, 515 East Broad Street, Columbus, Ohio.

### WANTED

Casualty underwriter for medium sized agency. Excellent opportunity. State experience and qualifications. Address L-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Want to establish bail bond general agency in Southern California. Thoroughly familiar with this department of the business. Cash collateral. Address L-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



# INSURANCE NEWS BY SECTIONS

## IN THE SOUTHERN STATES

### Oklahoma Group Sees Need of Paid Secretary

Oklahoma Assn. of Insurance Agents took time out from the mid-year meeting of N.A.I.A. at Oklahoma City, to hold a short business session. Dave R. McKown, chairman of the legislative committee, emphasized the need of a paid secretary in order to secure the protective legislation sought by the group. Both measures—an agents qualification bill and an auto financial responsibility measure that had been sought by the association—were defeated, and failure of the former to pass the current legislative session was attributed by Mr. McKown to combining provisions of qualification for agents and fair trade regulations in one bill. He recommended that in any further effort, the two be separated.

#### Membership Sets Record

Speaking for the membership committee, John Mugler of Perry, reported a total of 650 members, which is a new high record. The importance of the three regional meetings held by the association in the past fiscal year was accentuated by H. T. Moran, treasurer, who not only attributed to them the addition of 117 members but stated "We really get things done at them." The next one is scheduled for June 14 at Chickasha.

National Vice-president William P. Welsh, Pasadena, spoke at the luncheon, stressing the value of public relations in the success of the local agent. Retiring President Reece L. Russell of Lawton was presented with a set of traveling cases.

The new official staff consists of Fred F. Fox, Oklahoma City, president; John Mugler, Perry, vice-president and Hank T. Moran, reelected vice-president. New members of the executive committee include Phil Kramer of Tulsa, Phil Viler, of Claremore, and Mr. McKown.

Mr. Fox was general chairman of local arrangements for the N.A.I.A. mid-year convention.

### Virginia Fire Figures Reported by Department

Net fire premiums of stock companies in Virginia last year were \$12,838,814 and net losses incurred \$5,262,676, with a loss ratio of 40.99%, the department reports. Net premiums from all lines written totaled \$21,111,798 and net losses incurred \$8,413,523, loss ratio 39.85%. The 1945 loss ratio was 40.75%. Fire premiums increased \$2,658,247 in 1946 and losses rose \$1,077,894, and premiums from all lines gained \$4,983,123 and losses rose \$70,588.

The five-year (1942-1946) average for stock companies was: Net fire premiums \$9,908,550, losses incurred \$4,038,209, 40.75%; net premiums all lines \$15,587,507, losses incurred \$7,210,265; 46.26%. Mutuals showed: Net fire premiums \$2,154,204, losses \$681,464, 31.63%; premiums all lines \$3,858,940, losses \$1,667,032, 43.20%. Reciprocity: Fire premiums \$179,711, losses \$91,295, 50.80%; premiums all lines \$225,420, losses \$106,716, 47.34%.

### Eader to Speak at Wausau

WAUSAU, WIS.—Thomas F. Eader, assistant manager fidelity and surety of Travelers' Indemnity, Milwaukee, will speak on "Dishonesty Insurance" at a meeting of the Marathon County Assn. of Insurance Agents here May 8.

### Ark. Agents Assn. Plans Program for May 16-17 Meeting

LITTLE ROCK—The program for the annual meeting of the Arkansas Assn. of Insurance Agents at the Arlington Hotel, Hot Springs, May 16-17 will include an address on "Your Two Selling Jobs," by R. W. Wilkerson, associate director of research and development of American. Following Mr. Wilkerson at the Friday afternoon session will be Virginia C. Parsons, free lance writer and speaker, formerly with Taylor Publications, who will speak on "The Mother Lode in Your Office."

The convention will get under way Friday morning with O. Shaw Johnson, member of the N.A.I.A. executive committee, discussing "Your National Association in Action." Also on the Friday morning program are Louis R. Light, head of the Light Adjustment Co., Little Rock, who will analyze the position of "The Adjuster in Public Relations for the Local Agents," and President S. W. Creekmore, who will give his annual report.

Later in the day the association will hold its executive session to hear the report of the secretary, C. C. Mitchener, Marianna; a final summary of the association's ill-fated attempt to secure passage of a qualification bill during the 1947 legislature by C. S. McNew, Jr., Pine Bluff, legislative chairman, and the annual report of the executive secretary, Miles O. Moore, Jr., Little Rock. A general discussion of association plans and activities will follow.

A dinner-dance will be held Friday night.

#### McKenzie to Speak

Commissioner McKenzie heads the Saturday morning program with his views on "The Administration of Fire and Casualty Rating Bills Enacted by the 1947 Legislature." Arkansas was one of the states to enact both the all-industry fire and casualty rating bills.

The program will then be given over to an hour-long, informal, open quiz session on casualty and surety problems with five Arkansas company men, who have been named as "Quiz Kids," attempting to answer questions of agents submitted in writing during the convention.

The "quiz kids" are: A. M. Anderson, Anderson & Newell, general agents, Little Rock; W. M. Apple, W. M. Apple & Co., general agents, Little Rock; Frank Mebane, Arkansas manager Maryland Casualty, Little Rock; I. C. Sparks, state agent St. Paul-Mercury Indemnity, Little Rock; Thomas T. Wilson, Arkansas manager U. S. F. & G., Little Rock. Sterling Frank, vice-president of the Arkansas Assn. of Insurance Agents will act as quizmaster.

The convention will close Saturday morning with reports of the committee on resolutions and nominations and the election of officers.

On Thursday night, May 15, eve of the convention, the Arkansas chapter of the Grand Old Order of the Purple Duck, composed of all living past presidents and ex-managers of the association, will hold its annual dinner.

### Warfield Speaks at Dallas

Guy T. Warfield, Jr., Baltimore, president National Assn. of Insurance Agents, addressed a membership luncheon of the Dallas Insurance Agents Assn. Tuesday. He and his wife were entertained at the Dallas Country Club

Sunday evening by directors of the Dallas association. President Will M. Keller and Drex G. Foreman, executive secretary of the Texas association and their wives, also were guests at the Sunday party.

The Warfield's were making their first visit to Texas. They left Oklahoma City by air, spent Saturday in San Antonio and flew back to Dallas Sunday to attend the annual meeting of the American Assn. of Insurance General Agents and meet with the Dallas association.

### Drive to Cut Cotton Losses

MEMPHIS—The campaign against fire hazards in processing and storing cotton already has resulted in a reduction of fire losses, an official of the Mississippi Valley Cotton Compress & Warehousing Co. stated at its annual meeting here. If members will work closer with local fire prevention officials, there will be less reason to work with fire adjusters, G. H. Sherman, president, declared. Compress and warehouse operators from Arkansas, Missouri, Mississippi, Louisiana and Tennessee were told that other industries have greatly reduced their losses by removing fire hazards and this also can be done in cotton processing.

### Opens Adjusting Office

DAYTONA BEACH—J. H. Bowen has opened a new adjusting office here under the name of Joe H. Bowen & Associates, to handle fire, marine and casualty losses, specializing in aircraft and automobile. A graduate civil engineer, Mr. Bowen has spent 10 years in the automobile and aircraft industries, including service as a test pilot for the Curtiss-Wright Co.

When the war broke out, Mr. Bowen was the first American pilot in China, preceding Gen. Chennault as commander of the group later known as the "Flying Tigers." He later transferred to the U. S. army air forces and saw action in virtually all war theaters.

### Name G.H.Q. for Ala. Rally

The Admiral Semmes Hotel in Mobile has been named as the headquarters of the annual convention of the Alabama Assn. of Insurance Agents Sept. 11-13, with the Mobile Board as host. E. Allen Sullivan has been appointed general chairman of local arrangements.

### Elect in Broward County

The Broward County (Fla.) Insurors Assn., has elected as president, A. W. Putnam; vice-president, R. M. Haskins; secretary, J. C. Sullivan, all of Ft. Lauderdale.

### Stolzer Opens Agency at Enid

Bill Stolzer has opened an agency in the Knox building, Enid, Okla. He was a special agent for Hartford Accident for about 1½ years.

A. D. Sills of Oklahoma City, special agent for the farm department of America Fore, was the most recent speaker over station WNAD at University of Oklahoma, Norman, in the series of 17 talks in the Oklahoma fire insurance public relations program. He gave a description of some of the farm coverages and counseled farmers to put themselves in the hands of competent local agents.

### Graham, Washburn Named

C. W. Graham, formerly assistant engineer, has been appointed waterworks engineer for the Canadian Underwriters Assn., succeeding L. D. Walker, retired. Edward A. Washburn has been appointed assistant engineer.

### Zone 4 Meeting May 8-9

LANSING, MICH.—Commissioner Forbes, chairman of zone 4 of National Assn. of Insurance Commissioners, announced today that its spring meeting will be held May 8-9 at Des Moines. Selection of the date had been delayed to make certain there would be no conflict with the Iowa legislature which is adjourning this week.

Chief examiners of the zone will meet May 8, with a joint session of commissioners and examiners May 9.

### Albrecht to Omaha Agency

R. O. Albrecht, Iowa State Agent of St. Paul Mercury Indemnity, has resigned to become a casualty manager of the Omaha Insurance Agency at Omaha.

### Sleeper Is Promoted

Dwight W. Sleeper, Jr., has been named assistant casualty manager of Indemnity of North America at Cleveland. He joined the company in 1942 after a short time with a Louisiana local agency. After service in the war he went to Cleveland as a special agent.

### John E. Braun Promoted

John E. Braun has been named assistant supervisor of the engineering and inspection department at New York for the Aetna Life companies. He was graduated from Drexel Institute, and joined Aetna in 1936 as an engineer at Philadelphia. He was transferred to New York office a year ago as senior engineer.

### Ia. Agent Bill Flunks Out

DES MOINES—The agents' qualification bill failed to reach the floor in either house of the Iowa legislature which has now adjourned.

A bill was passed increasing the pay of department examiners from \$15 to \$20 a day and assistant examiners from \$12.50 to \$15.

### Names E. H. Scott

American has appointed E. Hughes Scott special agent in South Carolina, succeeding J. Robert Wilson, who resigned to enter the agency business.

### Classifying Accidents

The committee of judges set up under American Standards Assn. committee on standardization of methods of recording and compiling accident statistics has made its first 20 decisions covering the recording of doubtful cases. Henry B. Duffus, Westinghouse Electric, is chairman of the committee of judges. The decisions are available at A.S.A. headquarters, 70 East 45 street, New York.

The decisions of the judges are designed to make the recording of accident frequency and severity statistics as uniform as possible.

### Koppang to Preferred

Lewis F. Koppang has resigned as secretary of New England Casualty to join Preferred Accident as comptroller. Before joining New England Casualty eight years ago he was with North America. He started in insurance in Hartford, where he was with Aetna Life and Hartford Accident.

### Partridge to Atlantic Mutual

Warren Partridge, Jr., assistant manager of the industrial relations department of Gilbert Associates since 1944, has joined Atlantic Mutual group in charge of personnel. Mr. Partridge entered personnel work in 1928 as personnel manager for Utility Management Corp., New York.

## PACIFIC COAST AND MOUNTAIN

### Coast Committees Are Rearranged

SAN FRANCISCO—Personnel of several of advisory committees of fire companies operating on the Pacific Coast was changed at meetings here. John M. Wylie, vice-president Springfield F. & M., was reelected chairman of the Oregon Conference Committee. A. V. Holman, America Fore; W. G. Rich, Royal-Liverpool, and Munro English, Phoenix Assurance, were added to the committee. Mr. Holman and Mr. Rich replace Clarence E. Allan, Northern Assurance; Mr. Rich replaces Paul McKown, and Mr. English takes the vacancy caused by the resignation of J. C. Bunyan, California-Commercial Union group.

William B. Miller, coast manager of American, was elected chairman of the Idaho Advisory Committee and Percy Lynch, Great American, vice-chairman. Craig Owens, Atlas, was elected to the committee, succeeding J. L. Biglen, New York Underwriters.

Herbert Ryman, vice-president Great American, was elected chairman of the Washington Advisory Committee and Richard Orlob, Atlas, vice-chairman.

### Comprehensive Liability Recommended by Bremer

Comprehensive liability coverage is bought by "big business" because it is good business to do so and "small business" needs its advantages because it usually is less able to stand the shock of sizable uninsured losses than concerns in the upper financial brackets. W. J. Bremer, Hartford Accident & Indemnity, Chicago, told the Colorado Agents Assn. meeting at Colorado Springs.

Citing the National Assn. of Insurance Agents as authority for the statement that of 65,000 general liability policies only about 7,000 were issued on comprehensive forms of policies, and only 8,000 afforded property damage liability insurance, he said that conditions for the placing of comprehensive liability policies are too favorable to allow an imbalance to exist.

"The insured need and should have the best in third party liability insurance, and that today is comprehensive liability insurance which embraces both the general and automobile hazards," Mr. Bremer said. "Having it, that's protection for the insured. Seeing to it that the insured has it is not alone the job of but also the insurance producer's protection," he added.

### FCAB Opens 21st Branch In Rocky Mountain Area

Fire Companies Adjustment Bureau has opened a branch office at Craig, Colo., with Arthur Connor as adjuster in charge. The office will service north-west Colorado, including the Rangely oil field territory. Mr. Connor formerly was in the Denver office, also the Thermopolis, Wyo. office of FCAB. Craig is the bureau's 21st branch office in the Rocky Mountain department.

Ernie Haralson, adjuster at Colorado Springs for the FCAB, has been transferred to Sheridan, Wyo. Eugene White was transferred from the Denver office to Colorado Springs replacing Mr. Haralson.

Tom Brooks, adjuster in the Denver office of FCAB has been transferred to the Grand Junction branch where he will assist manager George Marron.

Thermon Petty, formerly with Employers group at Albuquerque, N. M., as an adjuster, has joined FACB in the Albuquerque office.

William Vaughn, formerly of the Bannock street branch of the Denver

office, has been transferred to the Pueblo office.

### King County Assn. Lauded

The Seattle Municipal League, good government organization, gave the King County Insurance Association a "pat on the back" for its good work in setting up the county's insurance program. The league reported that the Bow Lake shop fire April 20 caused well over \$150,000 damage, but that a "financial blow to King county has been averted". The league called attention to the fact that "had this fire occurred before the league-promoted county-wide insurance program was placed in effect two years ago, King county would today be suffering a loss of at least \$113,000".

The report states that under the county's "old and haphazard insurance program, the property destroyed Sunday was covered with only \$37,500 insurance. Adjusters declare that the county will receive from \$150,000 to \$180,000 under the present complete coverage."

Officials of the King County Assn. said the county will collect about \$115,000 on building and equipment loss at the main Bow Lake shop, also about \$25,000 on road equipment and \$6,000 on automotive equipment, which formerly was uninsured.

### Issues Cal. License Warning

Indicating that some agents, brokers and solicitors have been slow in filing their notices of intention to keep their licenses in force, Commissioner Downey of California has issued a last minute warning calling attention that May 1 is the deadline to avoid a penalty. This notice is attached to new licenses issued in 1946 on a three-year basis. It must be filed, together with filing fee, before May 1 to become effective July 1, 1947, to July 1, 1948. Heavy penalties are involved for delinquency.

### Oakland Agents' Outing

A golf tournament followed by a dinner has been arranged by the Oakland Assn. of Insurance Agents for May 27, at Orinda Country Club. As usual, a large delegation of company field men and managers, assistant managers, superintendents, etc., is expected to participate. Elbe Westfall is chairman.

### Murray Made Partner in Firm

William M. Murray has been made an associate member of the agency firm of Barney & Barney at San Diego, Calif. It is the largest agency south of Los Angeles. The Pacific Board, by the way, will meet there soon.

### Bowling League Elects

New officers of the Los Angeles Insurance Bowling League are: President, R. Stephenson, Occidental Life; vice-presidents, D. Seider, Pacific Employers, and Al Bair, Royal-Liverpool; secretary, Don Carlson, Pacific Indemnity; treasurer, Thomas Ryan, Pacific Employers.

### Now Installing Library

Russell G. Edgerton, southern California secretary of Fire Underwriters Assn. of the Pacific, has started installation of the recently approved branch library of the organization at 548 South Spring street, Los Angeles. The association appropriated \$1,000 as a starter.

### Wash. Leaders to Meet

The regular spring session of the executive committee and local board presidents of the Washington Assn. of Insurance Agents will be held Friday evening at Lake Crescent Lodge. Joining in the meeting will be agents from Clallam county.

Reports on fire rates, rules and forms will be given by A. J. Peters, Issaquah,

chairman fire contact committee; on insurance legislation by Irwin Mesher, executive secretary, and formulation of plans for the Aug. 4-6 annual meeting at Spokane.

Ned Steel, formerly with Bennett & Co., now is manager of Gardner General Agency, Denver.

W. M. Thomson, manager of the Washington Insurance Examining Bureau, who has been confined to Seattle General Hospital for a number of weeks, is reported to be making excellent progress.

Leonard Hatheway, who left the insurance business early in the war to enter the service, has joined the David C. Baker agency at Vallejo, Cal. The agency represents Western Life of Helena in addition to fire and casualty companies.

Preparations for the annual meeting in October featured the midyear meeting of the **Federation of New York Insurance Women's Clubs** at the Onondaga Hotel, Syracuse. Miss Marguerite E. Fitzpatrick of Syracuse, president, was in charge. Changes in the constitution were outlined for adoption at that time and a definite program arranged. Committee reports were presented. Representatives from eight local clubs in the state attended, together with officers and board members of the federation.

## MIDDLE WESTERN STATES

### Packard Retires from Kan. Bureau; Ausherman Named

A. G. Packard, Kansas City, Kan., branch manager of the Kansas Inspection Bureau, since opening of the office in 1920 and for 37 years continuously with the bureau, has retired. He is succeeded by Harold P. Ausherman, who joined the bureau in 1921 after a year with the Kansas department, following the other war.

Mr. Packard joined the bureau when it was known as the Kansas Inspection & Fire Prevention Bureau. Previously he was with the engineering department of the Santa Fe railroad. In the other war he was a grain inspector for Underwriters Grain Assn., supervising 10 terminal grain elevators in eastern Kansas. Prior to opening the Kansas City office, Mr. Packard was in charge of special hazards and industrial plants, including sprinklered risks, in eastern Kansas. He plans to take a rest before announcing other plans.

Mr. Ausherman from 1921 to 1926 was connected with the bureau's Kansas City and Wichita offices, resigning to take charge of the engineering service department of Albert W. Shell & Co., Cincinnati, but returned to the bureau at Kansas City in 1930. During the last war he was on leave of absence with the army in various capacities, terminating as plant security officer of the ninth service command at San Francisco with the rank of lieutenant colonel. He also served in the other war with the Rainbow division, in combat.

### Four Wisconsin Regionals Are Planned in May

MILWAUKEE—Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents, announced dates and places of a series of four regional conferences to be held during May in key cities. The schedule includes Eau Claire, May 6; Madison, May 13; Wausau, May 20, and Green Bay, May 27.

The meetings will be open to members of the state association and other local agents in the various districts. A group of association officers and speakers will make the circuit. Sessions will run only one day from 9 to 4 o'clock, including luncheon. Topics and speakers will be announced.

Legislation in Wisconsin, including progress of the local agents qualification and license bill, will be a chief topic. Other fire and casualty underwriting subjects will be on the program.

### Kansas Agents' Annual Is Scheduled for Oct. 22-24

The annual convention of the Kansas Assn. of Insurance Agents has been announced for Oct. 22-24 at Topeka.

### Insurance Committee Named

LINCOLN, NEB.—Milton W. Koch, general agent Northwestern Mutual Life, was named to head the insurance committee of the chamber of commerce. Other members of the committee include Jess Chambers, Chambers-Dobson agency; T. J. Farrell, president Union

Fire; W. A. Fraser, manager Bankers Life of Nebraska; E. A. Frerichs, director of agencies Security Mutual Life; Herbert Henderson, assistant secretary Midwest Life; Virgil Hoover, state director State Farm companies; O. D. Trombla, secretary Standard Reliance.

### Require Licensee Training

LANSING, MICH.—A strengthening provision in the Michigan agents' qualification law is being sought in a bill introduced by Senator R. J. Hamilton, Battle Creek agent and senate insurance committee chairman. It is understood to have the support of the Michigan Assn. of Insurance Agents.

The bill would require that new applicants for property licenses in the future have "training in underwriting practices other than solicitation."

### S. D. Agents' Meeting

The annual meeting of South Dakota Assn. of Insurance Agents will be held at Aberdeen May 17. Earl A. Mueller of Groton is president, F. G. Grosz of Bowdle is vice-president, and George V. Robertson of Aberdeen is secretary-treasurer.

### Increase County Cover

MENOMINEE, MICH.—Insurance on the county building here and the county infirmary at Talbot will be increased \$25,000 on recommendation of the insurance committee of the county board of supervisors. Five-year coinsurance policies will permit the increase at a lower net cost than under present policies.

### Kansas Losses Mount

Kansas fire losses in March mounted to \$322,183, compared with \$170,207 in February and \$105,357 in January, losses for the first quarter showing a 35% increase over the same period of 1946. Contrary to national experience, Kansas 1946 losses were practically the same as in 1945.

### Maitland at Jefferson

JEFFERSON, WIS.—Kenneth Maitland, district supervisor of U. S. F. & G. at Milwaukee, discussed "Comprehensive Personal Liability Insurance" before the Jefferson County Insurance Underwriters Assn.

### Observes Golden Anniversary

Citizens Mutual Fire, Janesville, Wis., is observing its golden anniversary. It writes fire, windstorm and extended coverage for city property and also for farm property through its Dairyman's Underwriters farm department.

Gov. Youngdahl will address the Insurance Club of Minneapolis May 12. A. Herbert Nelson, Minnesota manager of Business Men's Assurance, has charge of the program.

The Cincinnati Assn. of Insurance Women celebrated "Bosses' Night" April 29, with a cocktail party and dinner at the Hotel Gibson roof garden, with Mayor Carl Rich, as featured speaker. George Maggini, president Cincinnati Fire Underwriters' Assn., also spoke briefly.



## Report on Surety Questionnaire

(CONTINUED FROM PAGE 23)

contract should be replaced with something like the bankers blanket bond.

There was a question as to whether bankers blanket bond No. 2 and No. 4 should be consolidated. Nine said no, 13 yes. On whether the bonds should be broadened 17 said no, two yes. One reply suggested including indemnity for suits against officers.

### Want Safe Depository Cover

Mr. Bailey said American Bankers Assn. wants safe depository liability coverage. Another matter that is being agitated is the wind hazard in the coverage on money and securities. The bankers in small towns in windy regions are conscious of this hazard.

To the question of whether the commission is adequate three said yes, two "probably" and 19 no. Eleven said the commission should be 20%, one said 25%, four said 30% and one said 20% up to \$10,000.

On the question of whether new private construction bonds open up new fields, 13 said yes and five no.

Mr. Bailey remarked in this connection that the private construction bond has to be sold in the same creative way that fidelity insurance is cultivated. In the statutory contract bond field the technique is for the agent and broker to get on easy personal terms with the contractor so that when the latter lands a job and requires a bond he will place it with that broker. The private construction bond, however, has to be sold on its merits.

The coverage under the private construction bond is clear, explicit, broad, Mr. Bailey declared.

### Technicalities Are Cited

The question was raised as to whether the same generous coverage should be provided for public funds.

Speed Warner of Kansas City said the surety companies would like to be in a position to pay contract bond losses as they do in other lines but the laws are so different that they must observe technical features in order to preserve their recourse against the contractors' remaining assets.

In Texas 10% of the contract price is retained by the state, and in the event of trouble the surety company cannot know just how much is coming to labor and material men until the state's retention is disposed of.

Twenty-two said yes and two said no to the question of whether N.A.I.A. should be represented in the acquisition cost conferences.

Mr. Warner spoke of the necessity for agents to develop figures on which to justify their commission. He said insurance and bonding operations should be separated in the cost accounting, and expressed the belief that in the bond field the producer's expense would average 15%, which, he contended, would fully justify a 30% commission. Everything that can be done to simplify and eliminate detail should be done.

Mr. Bailey said that in his office there had been much saving by reporting license bonds as if they were continuous and in lumping reports to the surety on notary bonds.

### Question Texas Rate Setup

Mr. Bailey was questioned about the new Texas setup whereunder there is a uniform rate for fidelity and surety lines with no permission to deviate. He was asked whether he believes that such a pattern is consonant with public law 15. To this Mr. Bailey replied that he simply does not know. He said there has been some objection to the setup on the part of the bankers association.

There was considerable discussion of the dual obligee bond under title 608 F.H.A. Reference was made to the fact that F.H.A. is now permitting an alternate arrangement in lieu of corporate suretyship. Some of those in the group remarked that many speculative builders are getting into this field. The sponsor very often is putting up no real money.

He may get an option on a piece of property, have it appraised at a much higher figure, and put the land in as the 10% which is required of the owner. Since the bond runs to the owner and to the lender it partakes of the nature of a completion bond and the surety doesn't want to be the only responsible party in the transaction.

### Cultivating Architects

There was some discussion of winning architects over to the idea of bonds on private construction. The suggestion was made that here much can be done by individual agents talking to individual architects with whom they are on easy terms. The usual architect, he said, takes the position that he knows the contractors with whom he is dealing and feels it would be a confession of inadequacy on his part to suggest a bond to the owner. The great weakness in that position, one of the observers remarked, is that the architect usually knows nothing about the sub-contractors, and the contractor commonly takes the lowest sub-contracting bid.

## Marryott Tells of the Pitfalls

(CONTINUED FROM PAGE 23)

with a lease which exempt the lessor from liability arising out of his own negligence are void as against public policy but said probably this does not offer much hope of a solution.

Discussing personal injury as distinguished from bodily injury, Mr. Marryott said while the standard policy does not cover personal injury he believed most underwriters have been willing to afford such coverage, at least on a "named tort" basis, when individually underwritten. He attributed reluctance to go beyond this basis to the underwriter's wish to know whether the insured is capable of avoiding liability from foreseeable contingencies and the difficulty, in view of high variability of the hazard, of finding a rating basis that would be of general application.

As to omission of "caused by accident," Mr. Marryott said that there is more to the matter of keeping the policy on the basis of covering only unintentionally caused harms than mere unwillingness to insure willful acts. The fundamental concept of insurance is that the benefit is to be conferred only on the happening of an event which is fortuitous in the sense of being to a substantial extent beyond the control of either party.

### Lists Five Hurdles

In considering how far to go there are at least five questions to be faced, he said: (1) to what extent does public policy or statutory law forbid the insurance of non-fortuitous acts? (2) If such insurance is written will the contracts be enforceable? (3) Assuming lack of illegality and that public policy permits imposition of liability on insurers under such circumstances, are underwriters willing to cover intentionally caused bodily injuries and property damage? (Underwriters, he said, are pretty close to that point today, as respects B. I., as they realize insured don't go around hurting people, but there is more doubt about property damage.) (4) If caused by accident disappears how can insurers write contractual liability on a blanket basis without including business liabilities assumed under ordinary contracts? (5) How can insurers avoid covering liability for such things as patent and copyright infringements, unauthorized use of property of another, derivative suits by stockholders against directors, etc.?

Mr. Marryott said it should be possible to find some satisfactory way for recognizing that the acts of employees of corporations are not always fully con-

trolled by the corporation even though the doctrine of respondeat superior may impose liability on the company. Such a solution, he said, is foreshadowed, perhaps, by the present treatment of assault and battery—deeming it an accident unless committed by or at the direction of the insured.

### Occupied Property Exclusion

Omission of the present exclusion of property occupied by or rented to the insured is a feature of the proposed policy and Mr. Marryott said he thought if the buyers wanted this change they could bring it about. However, the cautious underwriter would understandably still like to be able to select the risks his company is to assume, taking account of the fire hazard particularly.

As to world wide coverage, Mr. Marryott said the problem has been studied intensively "but we are at the point of being able to offer good service to our policyholders on an automatic basis as to only a few lines in a few countries."

Special arrangements can be made but he emphasized that this is a far different matter from changing a standard coverage to a world wide basis, though he expressed the hope that this could be done before long.

## Eaton Heads Casualty Work of Rhode Island Group

INDIANAPOLIS—William C. Eaton, formerly with Zurich, but more recently with American Casualty as vice-president in charge of liability underwriting, has resigned to go with Pioneer Equitable of Lebanon, Ind. His purpose will be to develop for the Rhode Island group a casualty business, using Pioneer Equitable as the base.

A casualty personnel will be built up when conditions justify and legislative enactment permits revision of the company's charter to write multiple lines through Pioneer Equitable. Within a comparatively limited time, they believe more states will have such enabling statutes. Thirty-seven are now considering this step.

### W. I. B. to French Lick

The annual meeting of Western Insurance Bureau has been scheduled for French Lick Springs hotel, French Lick, Ind., June 10-11.



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## Buyers Group Asks for Much Wider Liability Cover

(CONTINUED FROM PAGE 23)

Corp., said there may be reasons why the underwriters are not prepared to write the proposed policy but he expressed the hope that the buyer, producer, and insurer would gain a better

understanding of each other's problems. He pointed out that personal liability includes not only bodily injury but such other occurrences as humiliation, false arrest, libel, and slander. He said that some courts have held that it is against public policy to insure against liability for illegal acts, but many courts have held the exact opposite. As to the employee exclusion of the present policy, he

said the insured should be covered if sued for something not covered under workmen's compensation or employer's liability, such as false arrest.

Mr. Drake said there was much merit to having a blanket P.L. and P.D. limit. Other features in the proposed policy which he mentioned included the elimination of the requirement for immediate notice, substituting a requirement that notice be given as soon as practical and to an officer of the insured corporation; agreement that no representations or warranties are to apply except those specifically stated in the policy; and the use of a proration clause instead of an excess clause to apply where other coverages are involved.

W. J. Fitzsimons, assistant treasurer New York "Herald-Tribune" and president of the institute, presided.

panies. In connection with the large A. & H. section is a 5-page analysis of premiums and losses with ratios for each major A. & H. class of business, giving the current year's experience of each company as to accident, health, hospitalization, group A. & H., non-can and total A. & H. business.

In its 184 pages, this 48th annual edition of the Argus chart contains a wealth of useful information, much of which is difficult to locate elsewhere. Single copies sell at \$1.50 each, 12 copies at 90¢ each, 100 at 54¢ each and less in larger quantities. Advance orders are now being shipped in sequence as ordered. A limited supply of additional copies is available. Order should be addressed to The National Underwriter, statistical division at 420 East Fourth street, Cincinnati 2, O., or any National Underwriter office.

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## \$2.6 Billion Is '46 Casualty Total

(CONTINUED FROM PAGE 23)

auto business which was \$86,598,441 or 42.6% more than in 1945. The stock loss ratios were 32.8 in 1946 and 56.6 the year before.

Mutual auto and mutual multiple line companies had paid losses of \$266,489,577, up 45.3% from 1945, the ratios being 55.4 last year and 46.5 in 1945. A. & H. divisions of stock companies including life companies with A. & H. departments paid \$282,990,297 in losses, 18.5% over 1945 with ratios of 51.3 and 58.6 respectively. Mutual companies paid \$65,824,289 in A. & H. losses, an increase of 25.4% from 1945 with a ratio of 49, compared to 47.4 in 1945.

The earned to incurred loss ratio for stock companies was 61.2 last year compared to 55.9 in 1945. For exclusively auto stock companies this ratio was 67.8 in 1946 compared to 58.3 in 1945.

Mutual companies (excepting exclusively A. & H.) show a 65.2 incurred loss ratio compared to 62 the previous year. Exclusively auto mutuals had a 71.1 ratio in 1946, and 69.7 in 1945.

### Show 10-Year Record

Many other interesting figures and tables are published in the new Argus Casualty & Surety Chart including an analysis of casualty and surety premiums, showing both written and earned, and the incurred to earned loss ratios by lines for each stock company for a 10-year period along with comprehensive financial figures for each for the same period.

In addition to the large stock multiple section the Argus Chart has several important special sections devoted to mutual multiple line companies, reciprocals, Lloyds, accident and health, hospitalization and medical-surgical com-

## Florida A. & H. Assn. to Hold Sales Congress May 17

The Florida Assn. of Accident & Health Underwriters will hold its spring meeting at Orlando May 17. The meeting will include an all day sales congress and luncheon, together with the regular business session. Election of delegates for the annual meeting of the National association in Boston in September is scheduled for the business session. Among those expected to attend the Boston meeting are H. Barrett King, World, president of the Florida association; S. D. Winn, vice-president, and E. M. Russell, treasurer.

## Dr. Shearon to Speak

Dr. Marjorie Shearon, consultant to the committee on labor and public welfare of the U. S. Senate, will speak on "Governmental Invasion of Private Insurance Field" at the annual meeting of the Health & Accident Underwriters Conference at Omaha, May 28.

Dr. Shearon has long been associated with scientific research on trends and development relative to social legislation. She has been in government service since 1935, serving with the bureau of research and statistics of the social security board and the Public Health Service until 1945. She was research analyst for congressional committees until early this year. She has published several studies on social legislation and the encroachments of the federal government on private lives of individuals.

## May Seek Tenn. OK

Another attempt may be made to gain approval of the four-way compensation plan set up in Tennessee. Commissioner McCormack rejected it in 1943. The Tennessee agents are divided on the matter and are presently discussing the issue.

## WISCONSIN Casualty Leaders in 1946

	1946	1945	1944	1943	1942
	\$	\$	\$	\$	\$
1. Empl. Mutual Liability.....	8,769,232	8,346,922	8,615,675	8,661,047	9,070,750
2. Farmers Mutual Auto.....	3,527,680	2,142,177	1,487,761	1,236,065	1,348,057
3. Hardware Mutual Casualty..	3,467,293	2,508,533	2,261,590	2,034,153	2,032,139
4. Assoc. Hosp. Serv., Wis.....	3,168,948	2,203,204	1,352,040	805,837	502,096
5. State Farm Mutual.....	2,655,801	1,659,928	1,107,574	805,115	693,301
6. Hartford A. & L.....	2,060,546	1,388,202	1,194,190	1,111,598	1,062,178
7. Continental Casualty.....	1,921,601	1,533,939	1,377,683	1,301,431	1,140,150
Continental Assurance.....	262,165	137,823	106,074	35,367	15,884
National Casualty.....	223,880	286,989	278,863	195,289	199,683
Total.....	2,407,646	1,958,751	1,762,620	1,532,087	1,358,717
8. General Casualty, Wis.....	1,810,563	1,214,352	946,624	875,556	992,467
9. Travelers Indemnity.....	1,612,927	1,055,954	777,173	905,081	851,048
Travelers.....	1,015,573	1,177,022	1,061,894	1,099,123	799,347
Total.....	2,628,490	2,232,976	1,839,067	2,004,204	1,660,395
10. Aetna Life.....	1,482,510	1,313,006	1,205,089	862,463	630,011
Aetna Casualty.....	989,662	834,914	690,998	621,953	684,741
Total.....	2,472,172	2,147,920	1,896,087	1,484,416	1,223,752
11. Milwaukee Auto.....	1,377,921	910,912	757,424	737,132	.....
12. American Auto.....	1,325,535	885,273	717,825	594,613	.....
Assoc. Indemnity.....	97,371	19,033	124	44	.....
Total.....	1,422,906	904,306	717,949	594,657	.....
13. Time.....	1,143,473	914,689	709,681	632,560	.....
14. F. & C.....	1,053,662	747,914	702,137	733,764	.....
15. Metropolitan Life.....	1,050,335	1,070,539	935,223	816,745	654,516
16. Mutual Benefit H. & A.....	1,041,070	938,240	778,280	574,574	.....
United Benefit Life.....	114,720	89,875	78,103	70,037	.....
Total.....	1,155,790	1,028,115	856,383	644,611	.....
17. Travelers.....	1,015,573	1,177,022	1,061,894	1,099,123	799,347
18. Liberty Mutual.....	1,014,462	759,703	734,008	753,620	.....



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# Shopping for Insurance

## *...in a Department Store*

1. "Mr. King," said Agent Duncan, "I'm worried about the amount of coverage under your Personal Property Floater. The values you set were high enough three years ago . . . today, you wouldn't begin to have enough protection in case of a serious loss. Before we order the renewal policy, why don't you ask your wife to shop around and see what things are really worth."



2. So Helen King went shopping for insurance—in a Department Store. She was amazed to see what she'd have to pay for new table silver. Her floor coverings were worth double what she paid for them. "Tom," she said, "that agent did you a good turn. We'd be sunk . . . if a big loss should occur."



3. So King got on the phone in a hurry. "Let's raise the amount by \$6,000," he said. "My wife's shopping trip certainly pointed up the necessity for keeping our insurance in line with the times. And, Duncan, next time you're up my way—I'd like to talk to you about handling the insurance on the house."

**I**T'S EASY for someone who very seldom shops to forget how values have risen. But your client won't thank you for saving him a few dollars on premiums . . . and allowing him to sustain a serious loss in case of a claim.

So why not check with all your personal property policyholders today? Make sure their valuations are high enough to allow for current replacement costs. You'll boost your volume of business . . . and turn every claim into a good-will builder.

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